

JPRS Report

West Europe

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JPRS-WER-88-013

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8 MARCH 1988

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FINLAND

Sorsa: Communique Debate Perhaps Result of Misunderstanding

36170029b Helsinki HELSINGIN SANOMAT in Finnish 25 Nov 87 p 10

[Text] Foreign Minister Kalevi Sorsa rejects suspicions that in the communique talks during President Mauno Koivisto's visit to the Soviet Union, the Finns tried to change the communique text for political reasons. Nor did the Soviets many any such attempts, according to Sorsa. In his judgment, the communique incident apparently resulted from a misunderstanding by government officials.

In a KESKISUOMALAINEN interview Tuesday, Sorsa deals with the communique talks during Koivisto's October visit to the Soviet Union.

During negotiations in September, the Finns attempted to eliminate from the visit's communique a passage in which Finland and the Soviet Union together define Finnish foreign policy. More than 15 years old, that definition includes the Paasikivi-Kekkonen line, the Treaty of Friendship, Cooperation, and Mutual Assistance, and Finland's effort to practice a policy of peaceful neutrality. The Finns' attempt did not succeed: the communique contained the definition in its previous form.

Sorsa is asked in the interview whether in that way Finland was trying to "lengthen the tether" in relation to the Soviet Union. Sorsa answers no.

"There were not attempts on either side to change the communique text for political reasons. Apparently something happened during the official talks which I want to think was a misunderstanding. It then led to a sort of intermezzo in the talks, but a very brief and transitory one. No political display of any kind occurred in one direction or another," says Sorsa.

The interviewer asks whether the government officials wanted to change the communique text.

Sorsa replies, "Among the negotiating officials there was some discussion that led to a situation which I want to describe as a misunderstanding."

Sorsa says no more about the incident or what he assumed was a misunderstanding. By misunderstanding, Sorsa apparently refers to negotiations last winter, according to other information that has leaked out.

Surprise from Uspenski

Soviet Premier Nikolai Ryzhkov visited Finland last January, and before he did, Soviet officials came to Helsinki to negotiate the communique for the visit. The negotiations were led by Nikolai Uspenski, head of the Soviet Foreign Ministry's second European division, and also participating was diplomat Juri Derjabin, who had worked in Finland for a long time.

During the negotiations, Uspenski had surprisingly announced that the Soviet Union was ready for new formulations. Finnish Foreign Ministry officials had not been prepared for that. In the communique for Ryzhkov's visit, the definition of Finnish foreign policy stayed the same.

The issue was raised again in the autumn, however, when the Finns outlined their proposal for the communique for Koivisto's visit. The Finnish Foreign Ministry delivered the communique proposal to the Soviet embassy and the Moscow Foreign Ministry a few days before Finnish officials left for Moscow to negotiate.

The Finns' outline did not contain the traditional definition of Finnish foreign policy. Instead, the lifework of Paasikivi and Kekkonen was stressed. Neutral Finland was mentioned in connection with the CSCE.

When negotiations began in Moscow, Uspenski announced that the Soviet Union wanted to retain the same definition in the communique. The Finns accepted it.

Finnish negotiators were led by Political Undersecretary of State Klaus Tornudd.

Thus Sorsa's reference to a misunderstanding by government officials probably means Tornudd or Uspenski.

Who came up with Finland's communique outline is uncertain. President Koivisto has said that he gave the officials broad authority. Koivisto has thus assumed political responsibility for the unsuccessful attempt. He has emphasized that the communique talks were no problem for Finland.

Surprise from Ryzhkov

In the KESKISUOMALAINEN interview, Sorsa does not go into the other communique-related incident which occurred during the October visit to Moscow. Surprisingly, Premier Nikolai Ryzhkov wanted to delete from the finished communique a passage in which reference is made to business transactions conducted with convertible currencies. That new form of trade had just been approved in a follow-up agreement on a long-term economic program.

The Finns were forced to consent to the deletion, but it is still not entirely clear why the soviet Union wanted to delete free-currency trade from the communique. According to one explanation, "communiques are implemented immediately in the Soviet Union," and the mere mention of foreign exchange transactions "would have confused the businessmen there."

The "trade issue" was further clarified when Koivisto recently attended the October Revolution commemorative festival in Moscow. At that time, as far as is known, it was ascertained that both Finland and the Soviet Union want to continue the traditional exchange of goods based on the clearing system.

Gorbachev Next

The next Finnish-Soviet communique for a visit will be discussed very soon, if party leader Mikhail Gorbachev's visit to Finland takes place in April as planned.

Koivisto has said that in his opinion the communiques could be done away with. Sorsa says in KESKISUOMA-LAINEN that it is hard to predict whether they will be retained. "I've decided to steer a middle-of-the-road course."

Sorsa observes that the wording of the communiques does not bind Finland when we ourselves define our foreign policy.

Sorsa also repeats his thought from last summer that the Paasikivi-Kekkonen line "could just as well be called the Finland line."

"No matter what designation is finally adopted, it won't be courts or diplomats or cabinet ministers who decide, but time or the Finnish people themselves."

12327/12232

First SKDL Delegation Visit to USSR in 25 Years

Previously Boycotted by Moscow 36170035a Helsinki HELSINGIN SANOMAT in Finnish 9 Dec 87 p 15

[Text] A delegation of the Finnish People's Democratic League (SKDL) travels to moscow next Monday. The visit is historic because no SKDL delegation has been invited to the Soviet Union in 25 years.

The CPSU has previously looked askance at the activity of people's democrats. It is suspected that recognition of the SKDL's status will weaken the leading position of the Finnish Communist Party (SKP).

The SKDL has been boycotted by Moscow because of the communists' internal disputes. Earlier, the CPSU clearly supported the minority Finnish communists led by Taisto Sinisalo. In the SKP's internal disputes, the SKDL leaders have aided the majority communists, but after the SKP's breakup some Sinisalo supporters remain in the SKDL ranks.

SKDL relations with the Soviet Union improved still more when SKDL general secretary Reijo Kakela was granted permission, as a member of the SKP delegation, to negotiate with CPSU representatives in early November. During the trip, Kakela was given the task of preparing communications.

The delegation will be led by SKDL chairman Esko Helle. Helle presumes that the purpose of the trip is to become acquainted with the Soviet Union's policy of perestroika, or restructuring. He still did not know exactly who extended the invitation, but said that such invitations are "in practice the CPSU's business."

According to Helle, it is nice to visit Moscow, especially since there has no contact between the SKDL and the Soviets for a long time.

What also makes the trip intriguing, in Helle's opinion, is the interesting changes that are occurring in the Soviet-Union.

The SKDL delegation will be on the road all next week. Leaving for Moscow hard on Helle's heels are Uusimaa district secretary Olavi Lipponen, Vaasa district chairman Pirkko Melender, league council chairman and parliamentary representative Vappu Sailynoja, SKDL educational division chairman Simo Juva, professor and league council member Simo Seppo, SKDL office manager Lea Mannisto, and SKP political committee member Tatjana Huhtala.

The travelers represent various SKDL organizations. Included are communists and socialists, country residents and city dwellers, blue-collar and white-collar workers. Helle points out that "both sexes are represented evenly."

Delegation To Discuss Perestroika, Disarmament 36170035a Helsinki HELSINGIN SANOMAT in Finnish 15 Dec 87 p 12

[Text] On Monday, an SKDL delegation traveled to Moscow for five days. The delegation is led by SKDL chairman Esko Helle.

The SKDL organization has not visited the Soviet Union as an invited guest in about 20 years.

During the trip, the delegation hopes to gather information about perestroika, disarmament, and the role of civic organizations in the Soviet Union.

Besides Helle, members of the group are SKP political committee member Tatjana Huhtala, SKDL educational division chairman Simo Juva, SKDL Uusimaa district secretary Olavi Lipponen, Vaasa district chairman Pirkko Melender, league council member Simo Seppo, and office manager Lea Mannisto.

12327/12913

Finnish-Soviet Friendship Society Undergoing Changes

Freer Foreign Policy Discussion 36170020a Helsinki HELSINGIN SANOMAT in Finnish 4 Nov 87 p ll

[Text] Social Democrat Paavo Lipponen, council chairman of the Finnish-Soviet Friendship Society (SNS), is calling for a more open discussion of foreign policy. In Lipponen's opinion, the relationship between Finland and the Soviet Union is so good that candid debate is possible.

Speaking at an SNS get-together Tuesday evening, Lipponen nevertheless found fault with the communique debate following President Mauno Koivisto's visit to the Soviet Union. Attempts have been made to attach trumped-up problems to the state visit.

"The president of the Finnish Republic can regard joint communiques as an outdated practice, and the Soviet representative can publicly justify a different viewpoint, without any harm done to our neighborly relations," said Lipponen.

Two mindsets oppose each other in the foreign policy debate, in Lipponen's view. "The traditionalists want to stick to the liturgy and turn the words into objects of worship. Representatives of the new glasnost try to call a spade a spade.

"Mystification of foreign policy and decisionmaking in back rooms are also part of traditionalism. While the president wants foreign policy to be debated according to normal parliamentary procedure, the traditionalists call for a return to autocracy, as if democracy were an oppressive lifestyle for them," charged Lipponen.

Last week, Center Party presidential candidate Paavo Vayrynen urged the president to make it clear that basic foreign policy would remain unchanged.

Lipponen's says the friendship society's task is to foster good relations between the countries. He suggested that the SNS serve as a center for developing contacts between the two neighbors. "The SNS should take the initiative for state government, municipalities, businesses, and communities in various matters of improving neighborly relations, and reach out to the Soviet Union," advised Lipponen.

Pekkala Named New Chairman 36170020a Helsinki HELSINGIN SANOMAT in

Finnish ll Nov 87 p 9

[Text] The selection of Center Party member Ahti Pekkala, governor of Oulu province, as new chairman of the Finnish-Soviet Friendship Society is assured. Pekkala is supported by all political groups. The selection of Pekkala will be approved at the society's delegate conference to be held in late November.

The SNS chairmanship has been discussed all autumn. Very early on, the Center Party nominated Pekkala to succeed distinguished public servant and Center Party member Martti Miettunen. The Center Party has stood by Pekkala, even though other groups have urged exchanging the candidate for a younger member of the Center Party.

The main argument for selecting Pekkala is his considerable experience in managing relations with the Soviets. During his time as cabinet minister, Pekkala has been, among other things, vice-chairman of the economic commission. At the start of his gubernatorial term, Pekkala relinquished all prominent party-related tasks. The Center Party has pointed out that the Social Democrats have an otherwise solid hold on the management of Finnish-Soviet relations.

Playing a decisive role in selection of the chairman were the communists and the people's democrats, who have a clear majority of conference delegates. Delegates of the Democratic Alternative have spoken up for Pekkala right from the outset, but the people's democrats and a majority within the Finnish Christian League have offered only qualified support.

The Social Democrats have submitted Erkki Aho, director of the National Board of Education, as chairman. The SDP candidate has been praised highly in the debate, but he has not received the communists' backing. "Aho is a good man, but he's from the wrong party," argue communists who turn thumbs-down on Aho's candidacy.

The distribution of other top posts in the society has also been discussed. All members of the society's executive committee, which directs practical work, will be changed. A successor is also being sought to Erkki Kivimaki, the society's general secretary.

The question of who will be SNS chairman has been debated around the country. On Tuesday, the SNS district organization in northern Finland asked Pekkala to be its candidate. All political groups that participate in the friendship society want Pekkala. Spokesman for the delegation that wants Pekkala is Social Democrat and Oulu Mayor Ilmo Paananen, presiding officer of the SNS's Oulu district.

12327/07310

'Finland: Myth and Reality,' by Max Jakobson 36170029a Helsinki HELSINGIN SANOMAT in Finnish 2 Dec 87 p 23

[Review by Lauri Haataja of book "Finland: Myth and Reality" by Max Jakobson, Otava, 1987, 96 markhas]

[Text] Written for an international audience, Max Jakobson's work "Finland: Myth and Reality" is more polished and literary than the other historical surveys inspired by the jubilee year of independence. Jakobson is matchless as a clarifier of the Finnish scene.

By the term "myth" in the book's title, Jakobson means the concept of Finland as a nation that lives on the knife's edge. The concept fetters Jakobson's thoughts more than the debunking of a mere myth requires.

He links Finland to small nations by Milan Kundera's fashionable definition, according to which small nations are those that could become extinct and know it.

Jakobson does not seem to free himself from fear of Finland's extinction until he comes to describe the new era of Soviet politics. In his interpretation, the change of Soviet security policy from extensive to intensive frees the flea from fear of being crushed by the elephant.

In the familiar manner of Finnish historiography, Jakobson shows the path that has led to the stabilization of Finland's position and the country's internal invigoration. Emphatically rejecting the notion that Finland's independence was a historical whim, Jakobson uses superpower politics to account for Finland's existence.

Napoleon, the Russian czars, and Stalin set the pace for the European concert. Snellman, Mannerheim, Paasikivi, and Kekkonen adapted to it the tune of legitimate security interest.

Russia

Jakobson's interpretation is surprising. Left without historical significance are Finnish society's internal foundation, the people's specific character, and the living democracy which led to and preserved national independence.

In his enthusiasm for finding analogies, Jakobson does not view Finland's becoming independent as a noteworthy event, as the end of one developmental stage, or as the start of another. That way, it is true, he avoids taking a stand on a troublesome diplomatic problem: was Finland recognized because it had become independent, or did it become independent because it had been recognized?

The book's great asset is that it roots Finland's destiny in history, in moves on the chessboard of present-day power politics. In his earlier works, Jakobson had taken an interest in the events on the chessboard, with his excessive analogies to Russia, he lodges himself in the school of Western writers on Finland. The school's representatives see Finland only in relation to its superpower neighbor and thus are spiritual prisoners of Russia.

To help his most distant readers follow the plot, Jakobson explains Finland in terms of the reference points, superpowers, major wars, and moguls familiar from the world of diplomacy and the press.

He has hit upon the idea of illustrating several special features in a way favorable to Finns and understandable to Western democracies. The Lapua Movement, he says, was Finnish McCarthyism. Western "sympathy" with the Winter War in the early ironic sense of Continuation War reflects not only the realism of Finland's choice but also the cynicism of superpower politics.

Development of the Finnish doctrine of survival remains half-finished in Jakobson's hands, though he hastens to offer it as a lesson to superpowers which have burned their fingers recently in Vietnam and Afghanistan. But isn't the miracle of survival based on the skill of Finns at making time their ally?

Selfishness

In his conclusions, Jakobson opens his eyes to the present day and asserts that Finland has "unquestionably become Euopeanized." The assertion is poorly founded. Very little material from earlier periods is introduced on the basis of which it would be possible to judge in what part of Europe Finland was situated at each given time. Jakobson has so revealingly entered his defense of the policy of national selfishness that it startles even a younger Finnish realist.

Apparently taught by excellent diplomacy, Finland has become accustomed to saying no to all trends, stimuli, and challenges. Finland has also been able to afford to turn its back on Europeanness and any part of Europe in the belief that its own Europeanness would not suffer from it.

But were the rations of Europeanness eaten and the capital discounted while we were not on an excursion? The Finnish self-satisfaction described by Jakobson may bring to mind Romania or the Korean Democratic Republic. Myth or reality?

12327/12232

Democratic Alternative Revises Platform for Presidential Race

36170030a Helsinki HELSINGIN SANOMAT in Finnish 6 Dec 87 p 20

[Article: "Election Platform Retouched at DEVA Meeting"]

[Text] The election platform of presidential candidate Jouko Kajanoja was changed Saturday at a meeting of the advisory committee of the Democratic Alternative (DEVA) in Helsinki. Domestic policies were made more specific in the platform, which had been "open to citizens' comments" for about a month.

Appended to the platform item urging development of foreign policy was a subordinate clause according to which DEVA also aims at modifying the direction of domestic policy. Asser Siuvatti, chief shop steward and

candidate for presidential elector, said at a press conference held after the meeting that "from the workers' viewpoint" domestic policy should be part of the president's job.

Requests for a "special program" for declining industrial centers were added to platform demands for aiding eastern and northern Finland. In the second addition, Finland was urged to accept more refugees. In nearly all elections, according to Kajanoja, there has been enough talk about refugees.

The autumn debates have also affected the platform section on educational policy: added to it is a request for creation of a vocational adult-education system. Apparently stirred by Independence Day, the advisory committee included a statement that "art and science are the sources of our country's independent culture and development."

Minor deletions were also made in the platform. The demand that Finland transfer weapons appropriations to environmental protection was crossed out, and in its place hope was expressed that "the gains made by new technology" would be used to protect the environment.

However, DEVA has not suddenly fallen in love with armed national defense. It would channel the army's money into production of more housing and aid to families with dependent children.

Campaign Just Begun

Also crossed out is a short sentence in which Finland is urged to safeguard its agricultural self-sufficiency. DEVA would protect agriculture by opposing efforts to ease restrictions on imports.

Kajanoja's primary goal is still to affect the election campaign so that "relevant issues are not overshadowed by diversion and speculation." DEVA refuses to answer questions about how its possible electors would vote if Mauno Koivisto is not directly reelected.

The DEVA candidate has roamed Finland for almost 2 months. According to party secretary Seppo Timonen, however, the "real part" of the election campaign does not begin until the platform has been sanctioned. Kajanoja's rise in popularity from 1 to 2 percent in last week's opinion poll will give the campaign a boost.

Kajanoja has wanted to get the other candidates to answer his questions about the fate of Finnish autonomy in a merging Western Europe. According to Kajanoja, responses have already come in: Harri Holkeri of the Conservative Party has announced that Finland's link to the European Economic Community should be strengthened.

Kajanoja believes that Paavo Vayrynen of the Center Party supports the same policy as Holkeri. Nor is DEVA satisfied with President Koivisto, who is no longer "the same candidate of the labor movement that he was last time," in Kajanoja's opinion. "Kivisto has also grown stale," adds Timonen.

Kajanoja says he has not had time to read all the speeches of Movement 88 candidate Kalevi Kivisto. In those that have caught his eye at least, Kajanoja has been unable to find a "concrete stand" on the issue of autonomy.

12327/9604

SDP Suffers Setback in Metalworkers Union Vote 36170020d Helsinki HELSINGIN SANOMAT in Finnish 4 Nov 87 p 11

[Article: "Defeat for Social Democratic Party in Metalworkers Union; Communists Advance in Largest Industrial Union of Central Federation of Finnish Trade Unions"]

[Text] The Social Democrats' majority position in the Metalworkers' Union, Finland's largest industrial trade union, hung by a thread as the late election returns rolled in

When roughly 80 percent of the votes had been counted, at 2100 Tuesday, the Social Democrats seemed to be losing their long-standing majority in the union. The Social Democratic Party (SDP) captured an estimated 47.6 percent of the votes and accordingly received 192 union seats.

Four years ago the SDP obtained 52.8 percent of the votes, which enabled it to dominate the union.

Winners of the election are the communists. In this election, it is true, they appeared on two slates. According to projections, the majority communists received 36.5 percent of the votes and 144 union delegates.

The minority communists, who ran under the name of Democratic Alternative, got 21.1 percent of the votes and 45 delegates for the union conference, which will be held 15 December in Helsinki.

The Center Party played a pivotal role in the Metalworkers' Union election. Its vote total dropped, but 3.3 percent of the votes and 8 union seats are very respectable figures.

The Finnish Rural Party may lose its representation at the union conference. The party had two delegates 4 years ago, but it will not have any this year after capturing 0.2 percent of the votes.

The independents and the Conservative Party will likewise have no delegates in the Metalworkers' Union.

METALWORKERS UNION ELECTION

	Tott Shares	and Chien Coi	merence Seats			
	1979		1953		1987*	
Party	Percent	(seats)	Percent	(seats)	Percent	(seats)
Social Democratic Party	50.5	(233)	52.8	(256)	47.8	()
Finnish People's Democratic League	44.9	(211)	41.9	(199)	36.0	()
Democratic Alternative	_	(-)	German .	(-)	13.5	()
Center Party	4.3	(14)	4.2	(14)	2.5	()
Finnish Rural Party	0.3	(-)	0.4	(-)	0.2	()
Others	0.3	(-)	0.4	(-)	0.2	()
*estimate at 9 pm Nov 3						

SDP Camp Surprised

The atmosphere Tuesday evening was very tense at the Metalworkers' Union election headquarters in Helsinki's Hakaniemi. The communists could scarcely conceal their joy. Surprised Social Democrats studied the vote projections, which seemed to suggest an enormous disappointment.

Armed with forecasts, the Social Democrats had prepared themselves for a vote loss of 2 percent at most. Now the loss was almost 3 percent.

All groups judged that the Center Party would assume a key position during the next few weeks of political bargaining.

The two communist camps were still unable to say whether they would work together.

During the current legislative term, the Finnish People's Democratic League has collaborated extensively with the SDP. The minority communists have worked by themselves and condemned the majority communists for palling around with the Social Democrats.

The Social Democrats attributed their loss to light voter turnout. Less than 60 percent of those eligible to vote went to the polls. Voter turnout was about 65 percent in the last election.

12327/7310

Communists Move Toward Further Splitting

Stalinists Weighing History Rewrite 36170024 Helsinki HELSINGIN SANOMAT in Finnish 22 Nov 87 p A13

[Article: "Sinisalo Proposes New Nordic Peace Zone"]

[Text] Taisto Sinisalo, chairman of the Central Committee of SKP [Finnish Communist Party] organizations, proposes the establishment of a new "peace and security zone" free from militarism in the Nordic countries. Sinisalo made his proposal at a Central Committee session arranged in honor of the October Revolution.

In Sinisalo's opinion, debate on a new zone should be launched because the Murmansk speech of CPSU General Secretary Mikhail Gorbachev opens up "enormous vistas of peaceful cooperation between the Nordic lands, the Soviet Union, and other Arctic countries."

In his celebratory speech, Sinisalo said that the Central Committee of the shadow SKP is also beginning a study of party history. The Central Committee run by Arvo Aalto decided to establish the same kind of historical committee a couple of weeks ago.

The central committees of both communist parties held Saturday sessions in honor of the Russian Revolution. Sinisalo's committee met on the premises of the Soviet Union's Center for Culture and Science. Speaking as CPSU representative at the occasion were Vadim Jerusalemski, professor at the Moscow Institute for Social Sciences, and Oiva Lensu, secretary of the CPSU's Karelian district committee.

Anatoli Tumanov, secretary of the CPSU's Leningrad district committee, spoke at Aalto's Central Committee session in the movie theater Kosmos. "Our hearts are in perestroika," declared Aalto on behalf of Finnish communists. SKP Deputy Chairman Arvo Kemppainen also spoke at the session.

DEVA Members Returning to CP

36170024 Helsinki UUSI SUOMI in Finnish 23 Nov 87 p 3

[Text] This year well over a hundred members of the Democratic Alternative (DEVA) have returned to the Finnish Communist Party. It is believed that the remigration will increase manyfold after the presidential elections when the validity of decisions made by DEVA is gauged democratically at the polls.

"The SKP is really the only place for a communist to be in Finland," says Helsinki city councilman Matti Viialainen, a DEVAite.

At the same time as DEVAites switch back to the old SKP, the hard-liners are forming a third communist party in Finland. A secret preparatory meeting was held over the weekend.

Viialainen has a long background as a Taisto Sinisalo communist. Last summer Viialainen decided to join Movement'88, which supports Kalevi Kivisto's presidential candidacy—and the past was erased. Cooperation with the TIEDONANTAJA members of Finnsolidarity's executive committee no longer amounted to anything, so Viialainen resigned.

"Our difference of views in DEVA goes back to last spring. In my opinion, SKP-Unity should have rid itself of certain dogmatic features and struck out in a more youthful and unifying direction.

"If it were now possible to return to the SKP, I'd definitely do it. And I believe a similar mood is springing up elsewhere. How long must we be prisoners of the situation and await decisions from on high?"

Viialainen thinks that DEVA communists are starting to decide, individually and in groups, to switch back to the SKP.

Parliamentary representative Esko-Juhani Tennila did not become a presidential elector candidate for Jouko Kajanoja. According to Tennila, it is not a matter of protest, though he has campaigned publicly for Movement'88.

"It would have been a good opportunity to begin unification. But now we have to try to make a breakthrough in the municipal elections, develop the idea of Movement'88, and offer real alternatives in content and force.

"It's time to get our act together. I've always thought it was senseless to split up the party."

Process Under Way

SKP General Secretary Esko Vainionpaa consistently refuses to make agreements with Sinisalo communists. On the other hand, persons who approve SKP goals and want to return to the party are accepted as "old members."

"People are deciding to break away from the TIEDO-NANTAJA/Sinisalo camp, but have not yet made the decision to return to the SKP," says Viialainen.

"This is a process which doesn't take place overnight. The final decision is often made in connection with a major social event—in this case, it may be the presidential elections or next autumn's municipal elections."

Forming New Party Secretly

Over the weekend, the most hard-line members of Taisto Sinisalo's shadow SKP held a meeting to form a new party, it would be a "new Marxist-Leninist party," a counterweight to Arvo Aalto's SKP.

CP Offers SKDL Cooperation

36170024 Helsinki UUSI SUOMI in Finnish 23 Nov 87 p 13

[Text] The Finnish Communist Party is offering to team up with the Social Democrats to strengthen safeguards against mass dismissals of workers. According to the SKP Central Committee, which convened on Sunday, the safeguards against arbitrary dismissal must be improved on the basis of SAK [Central Federation of Finnish Trade Unions] goals. The Central Committee urged the national government to stop plans for shutting down state-owned machine workshops and railways.

In its stand on incomes policy, the Central Committee proposes a new minimum wage agreement. Income distribution should be changed in favor of earned income, which would mean, among other things, intervention in the profits of business firms, commercial banks, and short money. The party urges a separate law for protecting shop stewards and wants to raise the unemployment benefit to 100 markkas a day.

Stalin's Human Rights Role

36170024 Helsinki HELSINGIN SANOMAT in Finnish 26 Nov 87 p 15

[Article: "SKP Wants to Clarify Fate of Stalin's Victims"]

[Text] The Finnish Communist Party, which celebrates its 70th anniversary next year, wants to clarify the fate of Finnish communists who disappeared in the Soviet Union during the Joseph Stalin persecutions of the 1930s.

SKP General Secretary Esko Vainionpaa said Wednesday in Turku that many Finnish communists operating in the Soviet Union became the targets of groundless persecutions in the Stalin era.

"The fate of some Finnish communists was clarified, and their reputations were restored during the Khrushchevera inquiry into Stalin's crimes. But that inquiry was not finished.

"The development phase that has begun in the Soviet Union and the events of the SKP's 70th anniversary present an opportunity to clarify further the fate of unknown members of our party in the 1930s."

Sinisalo Denies Fearing Dissolution

36170024 Helsinki HELSINGIN SANOMAT in Finnish 24 Nov 87 p 8

[Article: "Sinisalo Does Not Fear Plans to Dissolve Party"]

[Text] Taisto Sinisalo, chairman of SKP-Unity, said Monday that he is not particularly worried about his organization's future, although members from both extremes are leaving for other organizations. Markus Kainulainen, hard-line leader of Uusimaa's Sinisalo apparatus, launched a new "Marxist-Leninist" communist party on Sunday, and Helsinki city councilman Matti Viialainen of the Democratic Alternative called for a return to the SKP.

According to Sinisalo, there is "nothing new" in either trend, nor does he have any "special reason to worry" because of Kainulainen and Viialainen. Sinisalo thinks that the Kainulainen group is small and that "there aren't many" followers of Viialainen.

On Sunday, Kainulainen and about 20 of his associates discussed establishment of a new party at the Matinkyla farmhouse in Espoo. On Monday, Sinisalo had no further information about the meeting, but he thought the group consisted mostly of people from the metropolitan area.

The Kainulainen group proposed changing SKP-Unity to a party at last June's delegate assembly. At that time, however, Sinisalo's own stand pleased the majority, so it was decided to continue operating as an unregistered organization.

"No Need for New Party"

The Sinisalo districts were expelled from the SKP at an extraordinary delegate assembly in 1985. The main group of expellees who joined to form SKP-Unity still believes that everyone is a member of the same party. "The approach is one of principle. We bear the SKP symbol and membership card as well as the name of communist," says Sinisalo.

He also referred to the ongoing litigation in Helsinki City Court where the legality of the Sinisalo districts' expulsion is being thrashed over. "Since we're now in the middle of a legal trial to determine the legality or illegality of the expulsion, it would seem illogical to draw such conclusions. Nor is there any need for a new party."

A few weeks ago, SKP-Unity leaders sent Arvo Aalto's SKP a letter in which the desire was expressed for talks on bilateral cooperation. No response has been heard, because the SKP does not recognize Sinisalo districts as negotiating partners.

Sinisalo admits in his own way that relations between communist leaders are poor. "It's generally thought that movement and rapprochement are not characteristic of the communists' current situation. There's a little too much inflexibility."

"Kajanoja Was Right Solution"

In the backdrop to Matti Viialainen's speeches is the Democratic Alternative's presidential election campaign. Not all Sinisalo supporters stomach the notion that Movement'88 abandoned the front of other communists and "progressive forces" when it chose Jouko Kajanoja as its candidate.

In an interview with KANSAN UUTISET last weekend, DEVA parliamentary representative Esko-Juhani Tennila wished success to Movement'88 and its presidential candidate, Kalevi Kivisto.

According to Sinisalo, Tennila's standpoint concerns the presidential elections and is in no way worrisome. "The Central Committee is very united."

In the opinion of leader Sinisalo, the choice of Kajanoja as presidential candidate was the right solution. He thinks it shows that DEVA's support figures have even risen a little since the last parliamentary elections.

Support for Kajanoja himself has stayed at around 1 percent.

12327/9604

Group Proposes New Organization, Program for Greens

36170030b Helsinki HELSINGIN SANOMAT in Finnish 6 Dec 87 p 15

[Article: "Greens Carve Out Program and New Organization; Delegation Calls for New Private Forest Law"]

[Text] A Green Alliance delegation chewed over the possibility of becoming a party at its work meeting Saturday in Helsinki.

Analyzed at the meeting were drafts prepared by Green Alliance working groups for organization and general program.

The working groups are polishing up their proposals to suit the delegation. In the middle of next week, the proposals will be sent to Green Alliance political groups and member associations for their opinions. "We're also organizing a field survey," said alliance chairman Heidi Hautala.

According to Hautala, an opinion will also be requested from Eero Paloheimo, director of the Greens' Life Protection League, which has zealously pushed its own party plan.

"In the Life Protection League, there are a lot of members who could belong to some other Green association," observed Hautala.

According to those at the meeting, the Paloheimo followers' plan will not speed up the Green Alliance's gradual transformation into a party. No one wants to make a lot of noise about Green discord

The general program draft was characterized at the meeting as a manifesto, a declaration of principles. According to Hautala, it rejects noncommittal expressions and can serve as a party platform. The program working group is led by Green Alliance deputy chairman Vuokko Laine von Konow.

The organization working group offered the delegation several alternatives. "In them the requirements of party bylaws have been taken into account, but we've found in fact that the requirements are very few," observed Hautala. Among the others who toil in the organization working group is Paavo Nikula, the representative for equality.

"We've now put up the roof: the house will be finished soon," said Hautala, characterizing the current situation of the Green Alliance. The fate of program, organization, and party plans will be settled at an extraordinary meeting of the Green Alliance in January.

In the statement it composed Saturday, the Green Alliance delegation urged a thorough revision of the private forest law. In the Greens' opinion, the current law is turning out to be a timber-felling law, not the forest management law it is supposed to be.

"Even before Parliament approves a new law, interpretation and administration of the current law must be changed to favor the farmer," insists the statement.

Emphasized in the Greens' statement is the forest dispute that came to a boil this autumn between Pukkila farmer Reino Takala and the Uusimaa-Hame district forestry board. Takala had tended his forest in keeping with nature's requirements: he carefully chopped down a tree here and there and let the saplings grow. The court of appeals ruled that Takala had destroyed his forest and jeopardized the forest renewal which is to be carried out by cultivation.

12327/9604

Columnist Joins Debate on Role of 'Consensus' in Politics

36170029c Helsinki HELSINGIN SANOMAT in Finnish 21 Nov 87 p 15

[Commentary by Janne Virkkunen: "Blessing of Consensus and Need for Conflict

[Text] In Joensuu last week, Harri Holkeri's Conservative-Socialist government declared that consensus is necessary as we advance toward the 1990s. The matter is by no means self-evident, thought it may seem that way.

There is obviously a greater difference of opinion about the need for consensus now than there was 10 years ago, when Kalevi Sorsa's center-left government sought a new political direction for the country. The political setting is decidedly different. The Center Party and the communists are clearly in opposition to the government, the Center Party also is in opposition to the president. Ten years ago, the Conservative Party was in the opposition, but it did not oppose the economic revival policy. Not one important group opposed the president.

Consensus basically means group solidarity in which no one expressly announces his or her disagreement. The essence of consensus is that it favors those is power. It favors government, trade and industry, interest groups, and economic prosperity.

On the other hand, the drawback of consensus is that it limits conflict and minimizes the influence of opposition groups. Consensus sanctifies the common good.

It would be worthwhile for consensus politicians to recall the German theoretician of conflict, Ralf Dahrendorf. To put it simply, Dahrendorf believes that conflicts are necessary in modern society. Or to be more exact, conflicts are absolutely essential for progress to occur at all.

Dahrendorf thinks that a society is doomed in which consensus is perpetual.

The economic revival consensus at Korpilampi was undoubtedly necessary for raising the country's economic policy out of the quagmire into which it has drifted. Without an economic policy that emphasizes competitiveness, Finland would have fared poorly.

Just think of the reduced markets in the Eastern Bloc, the unattractive markets in the West, and the unemployment and drop is standard of living that inevitably follow.

On the contrary, Finland has gone through the most prosperous period of its history: the standard of living has risen and the quality of life has improved even though—as always in all societies—we still have unemployment, poverty, and human misery.

In the name of consensus and its necessity, however, there has been too much demand for unanimity. The current government strives in vain for a consensus that does not exist and never will under the present circumstances.

Needed more than consensus are creative conflicts that blow away the stale air. A brisk debate is needed in all areas of social life, especially those areas in which power is wrapped in silence.

So I have one fervent wish: Gentlemen of Finland, save us from perpetual consensus!

12327/12232

Paper Comments on Difficulties of Center Party in Opposition

36170029d Helsinki HELSINGIN SANOMAT in Finnish 27 Nov 87 p 2

[Editorial: "Credibility of Opposition Policy"]

[Text] Finnish opposition policy suffers from a credibility crisis. The exchange of roles by the Conservative Party and the Center Party has graphically shown that the actions of leading opposition parties are guided more by pure role behavior and mechanical objection to government than by consistency or sincere desire to implement a different policy.

The so-called Christmas bonus money is the freshest example of this. While in the opposition, the Conservative Party loudly criticized the government for disturbing the Christmas bonus money to its behind-the-scenes supporters. The idea arose that the Conservative Party would not engage in such cheap politicking. But what happened? In perfect accord with the Social Democratic Party, the Conservative Party divided up 100 million markkas just as greedily as the parties it had criticized before. A considerable part of the money went to purely Conservative targets.

It was noticed as early as August that the Conservative Party in the government acted differently from the way it had spoken. It approved tax increases, even though objection to them had formed the groundwork of its opposition policy for about 10 years. When it comes to appointments for political office, the Conservative Party also behaves like other government parties and grabs jobs for itself here and there.

The Conservative Party has justified its turnaround on the basis of fairness: it takes for itself only part of what belongs to it and what it went without when it was in the opposition. The justification is understandable and acceptable to a certain degree, but shortsighted in terms of political tradition and organization. It confirms the impression that politics is a dirty and rapacious game and that politicians eat their words without batting an eyelash if it serves their interests.

The Center Party has also m, naged to make a histrionic display in the opposition. Its question to the government about livelihood security was unreasonable. As a long time party in power, the Center Party is familiar with the economic reasons that preclude the measures the party calls for. However, the party's political consistency was insufficient to curb its desire for earning brownie points.

The crux of the problem is therefore not so much in government policy as in opposition policy. Or course the parties make the most of being in the government. On the other hand, it is hard for an opposition party to make

itself heard. It is forced to raise its voice. But parliamentary government does not work as smoothly in a multiparty system as it does in a two-party country. We cannot build a credible opposition policy on the mere fact that it is the opposition's job to criticize the government.

In England, the homeland of parliamentary government, a mechanical opposition policy works because one party forms the government, the party in opposition can confidently haul the government over the coals, because it determines its own policy when it comes to power. In Finland, on the other hand, majority governments are multiparty governments. One party cannot dictate solutions to other parties. Everyone has to make compromises.

A mechanical opposition policy succeeded here for a long time, too, because the opposition was not held responsible for what it said. But now that the options for forming a government have increased, the role of opposition policy changes. In the new situation, objection to the government just for objection's sake serves as a poor basis for opposition policy, the Conservative Party's fate in the 1966 elections is illustrative. It suffered a crushing defeat. The voters did not swallow its two-facedness. It acted in the government differently from the way it had spoken in the opposition.

12327/12232

ICELAND

Labor Leaders Increasingly Angry at People's Alliance

Alliance Leaders In Duel

36260004h Reykjavik MORGUNBLADID in Icelandic 20 Oct 87 p 64

[Article: "Olafur Ragnar Grimsson Wants to Break Up the Party. Not Unite It, Says Asmundur Stefansson"]

[Text] Many of the People's Alliance leaders have reacted violently after the election results for the 100th National Congress of the People's Alliance became known in Reykjavik on Sunday. Many of the party leaders, especially from the labor wing of the party, did not get elected as principal representatives to the national congress. The reason for that is mainly blamed on a list of names prepared by the supporters of Olafur Ragnar Grimsson for chairman of the party which did not contain the name of Party Chairman Svavar Gestsson, who ended up in the 43th seat in the election, or the name of ASI [Iceland Federation of Labor] President Asmundur Stefansson who did not get elected as representative. Both these men support Sigridur Stefansdottir in the party election for chairman.

Svavar Gestsson told MORGUNBLADID that Ragnarsson's supporters had applied extremely dishonest methods in the elections at the meeting of the People's

Alliance in Reykjavik last Thursday. He said, however, that he was of the opinion that the majority of the national congress representatives would attend the congress as responsible individuals and party members who would consider the overall views and would not consider themselves as representatives of any particular group.

People's Alliance Deputy Chairman Kristin Olafsdottir said that it is absurd to call this election an attack on the party as Svavar Gestsson was quoted of saying by the media; and that it is a disrespect to the 400 party members who voted in the election to infer that they accept being grouped without being allowed to use their own judgement or desire.

Asmundur Stefansson said that by this meeting, Olafur Ragnar Grimsson had showed that he wants to break up the party but not unite it; and what he wants is to get his flock together and avoid any relations with others. In this way, Grimsson had not only been instrumental in preventing various leaders of the party from getting elected, he had also shown opposition to the majority of the people who have been the mainstay of the party's daily affairs in Reykjavik. Svavar Gestsson agreed with that.

Margret S. Bjornsdottir, one of Olafur Ragnar Grimsson's supporters who prepared the above mentioned name list, said that it is absurd to say that any purges had been undertaken on behalf of Olafur Ragnar Grimsson.

Bjornsdottir said that the violent reaction of various people in the party leadership had arisen because they knew that Grimsson now has more support than Sigridur Stefansdottir, and that they cannot stand losing.

Paper Comments on Squabble 36260004b Reykjavik MORGUNBLADID in Icelandic 20 Oct 87 p 32

[Editorial: "Conflict in the People's Alliance"]

[Text] It is too early to decide on what the results will be in the election for chairman at the People's Alliance National Congress in November. It is clear, however, that the powers that have controlled the People's Alliance from the time it was established as a formal political party in 1968 are now on the defensive and may be losing the control. For almost 20 years, the People's Alliance has been controlled by the heirs of Einar Olgeirsson and Brynie Fur Bjarnason. Magnus Kjartansson and Ludvik Josepsson took on the task of nurturing this inheritance, and after them, Svavar Gestsson took over. Although Ludvik Josepsson never was in the group of the closest colleagues of the old communist leaders, he never went against them. Although Svavar Gestsson is too young to have received his political upbringing from Einar Olgeirsson, he received it from his successors. That is why the connection between the People's Alliance and its predecessor, the People's Unification Party-the Socialist Party and the Icelandic Communist Party has always been clear to all.

The election at the meeting of the People's Alliance in Reykjavik of representatives to the national congress show, however, that the power has disappeared from this old power group. Although the election results show a considerable strength of Olafur Ragnar Grimsson and his supporters, the results primarily indicate that Svavar Gestsson and his colleagues have not succeeded in renewing the old party nucleus. It is, however, possible that the number of votes do not tell the whole story. It is sometimes possible to vote in such a way that the correct picture of the proportion of strength does not come to light, for example, if one group only votes for its candidates and the other group votes for people from both arms.

If Olafur Ragnar Grimsson is elected chairman of the People's Alliance at the party congress, it is clear that the party has changed in nature. It will no longer be a political party which partially grew from the grounds of the labor movement; the People's Alliance will become an interest alliance of left-wing academics and government employees. Public opinion polls have shown that the party primarily receives its support from this group of voters and receives less support from laborers and salaried people than before. In that respect, it can be said that the power takeover by this group at the national congress reflected the voter support of the party.

But what will the repercussions be if such a revolution takes place at the People's Alliance National Congress and the old power group loses all control there? Firstly, it is not at all out of the question that the People's Alliance will split in two and that it will become two small leftist parties without any influence. The opponents of the People's Alliance should not, however, take it for granted that the outcome will be such. Secondly, the possibility exists that the victory of Olafur Ragnar Grimsson and his colleagues at the national congress will lead to years of guerilla warfare in the People's Alliance, similar to what happened when Hannibal Valdemarsson was elected chairman of the Social Democratic Party in 1952. At that time, he was elected against the will of those who controlled institutions and properties of the party. They utilized their position to make it impossible for him to lead the Socialist Democratic Party. Although the influential people in the People's Alliance have lost a lot of stamina, they would, however, have the strength to pursue such a guerilla warfare in an effective manner.

The third possibility is, of course, that Olafur Ragnar Grimsson and his supporters would succeed in making the minority in the party accept the new leadership, and it can be safely assumed that they would put great emphasis on doing that. A split or a combat situation in the People's Alliance will, of course, have extensive political consequences. The People's Alliance has for a long time been the strongest power on the left wing of Icelandic politics. Long lasting conflict within the party could create a void which others might try to utilize. Both the Social Democratic Party and the Women's List would enter the picture.

ITALY

PCI's Napolitano Explains Party Position to PSI 35280082d Rome AVANTI! in Italian 8 Dec 87 p 10

[Article by Giulio Scarrone]

[Text] Giorgio Napolitano, head of the International Affairs Commission of the PCI, is considered one of the most public leaders of the so-called "meliorism wing" of the party. He is one of those who, at the last communist convention in Florence, developed the PCI tone as an "integral part of the European left wing," while, at the same time, promoting the other line of new relations between communists and socialists.

Napolitano did not vote in favor of Occhetto at the central committee which elected Occhetto Vice-Secretary, maintaining that the political lines must be clarified first, and then, based on this the leaders ought to be chosen. In the last central committee he then surprisingly approved Occhetto's report on institutional reforms and on the political system.

This interview with Giorgio Napolitano is part of the initiative taken by the PSI and announced by Craxi for bilateral meetings with the other political forces of the majority and the opposition concerning the subject of institutional reforms—meetings which will start tomorrow. The interview starts with a question concerning the significance to attribute to Napolitano's vote in the central committee just held.

[Question] In the central committee which elected Occhetto to the vice-secretariat, you were one of those who did not vote in his favor. But in the last central committee you approved the political choices indicated by Occhetto in his report. What has changed?

[Answer] Between the end of June and the end of November there have been many discussions in the leadership and the entire party. A clarification has developed little by little to the point of agreeing on political choices capable of taking the PCI out of a purely internal issue, out of the risk of closing in on itself and sectarian entrenchment. The Occhetto report to the central committee, and its political essence, reflected this effort taking into consideration objections and concerns expressed in the preliminary meeting of the party's leadership. If public accounts of our discussions at that meeting were given it would be easier for everyone to understand how there can be a convergence between members of the central committee who were on opposite sides last June. So, it was a good thing that we decided to find forms of publicity for the leadership discussions. We must clear the field of any suspicion that some members of the Central Committee are taking on attitudes dictated by schemes of any king or by "tactical" reasons.

In the PCCI leadership we are discussing with sincereness and acting out of a sense of responsibility without letting prejudicial and personal objections come into play. In past months there have been dissensions on questions of direction and attitude. There will be plenty of opportunities to compare and examine the important issues referred to in part in Occhetto's report: we shall then see which similarities and differences will exist between us. For the time being the central committee has approved—although not unanimously—the concrete sign contained in that report concerning the commitment of the PCI as concerns the political and institutional crisis more than every present in the country.

[Question] With respect to the Florence convention, the last central committee with Occhetto's report on institutional reform was judged a "turn." If you think this is true, what does this "turn" consist of?

[Answer] I don't really think we can refer to a "turn" in regard to the Florence convention. Rather, emphasis was put on the most innovative position that sprang from the convention, and the "turn" that those positions sanctioned after years of work, compared to previous conceptions and experience. We stressed the significance of our commitment as "an integral part of the European left wing" and the need to advance it with new developments and initiatives. We reiterated the fundamental reasons for the strategy of alternatives while seeking to broaden the most complex signs. The decision to take part wholeheartedly in the institutional reform process is to be placed within this framework.

[Question] The Vice Secretary of the PCI stressed that the urgent need for institutional reform is forcing you to do it with those you are with—the PSI or DC. But don't you think that in the case of the latter, there would be the "dual pact" which occhetto himself seems to exclude?

[Answer] The vice secretary of the PCI never said that the institutional reforms would have to be made "with whom we are with—the PSI or DC." Quite the contrary. The central committee meeting should have cleared the field of any suspicion of a presumed desire to "overcome" the PSI. We are convinced that the consensus of both the PSI as well as the DC, in addition to that of the PCI, on the democratic institutional reforms and the electoral laws is indispensable and that an even broader agreement should be sought. Naturally, in the determination of priorities and proposals, no party—not even the PCI—can have itself conditioned preliminarily by another party. Each one will speak his own, and then we will work to find a meeting ground.

[Question] In the recent meeting of the Socialist leadership Craxi said that the PSI will become the promotor of a series of meetings with the other parties in order to discuss the proposal for a sole national college and the 5 percent cut off level for the European elections of 1989. Do you feel that this can be an experimentation area before proceeding with other reforms? [Answer] We liked Craxi's initiatives, but we hope that the PSI does not limit itself to raising the problem of the law concerning the European elections of 1989. We must start discussing the modification of other electoral laws and, most of all, we must reform the fundamental structures of our democratic system, parliament, government, regions, and local agencies.

[Question] In his report to the Central Committee, Occhetto gave the PSI credit for being the first to understand the new issue rising in Italy even though it did not know how to develop reform responses (Occhetto's words) within the moderate field. What do you feel these responses capable of representing a common ground of initiative for the Italian left wing could be?

[Answer] In truth, I am pleased with the fact that within the PCI leadership we widely agree that the strengthening of the PSI in recent years has been due to a capacity to address emerging problems in the Italian society which we have underestimated. I made these observations in an interview with L'ESPRESSO just after the administrative elections of 1985, but it was interpreted as a concession to the PSI. In actuality, it was just a question of knowing what was happening in the country and in the left and comparing ourselves to the PSI on responses to be given to these problems. We are now getting there. Even I have been convinced and am convinced that the PSI responses were not adequate or suitable and that honest and coherent reformist solutions must be found.

Which ones? In addition to the institutional reforms, suitable choices and social progress decisions which take into account the changes that had occurred in the Italian society are urgent: deep reform and restructuring in the fiscal field, new policies for the development of employment especially in the south, concrete trends for the protection and enhancement of the environment, strong measures to react against the growing concentration of wealth and power. Similar solutions are being sought by the left wing forces in all of Europe within a context of ever increasing interdependence. Do Communists and Socialists in Italy, too, wish to gather at a table and discuss them together?

13312/12913

NORWAY

Doubts Continue Regarding Progress Party's Role, Image

Possibility of Nonsocialist Cooperation 36390022a Oslo AFTENPOSTEN in Norwegian 5 Dec 87 p 3

[Commentary by Kjell Hanssen: "Doubt About Hagen in New Role"]

[Text] People say that Jeppe drinks. But they don't say why Jeppe drinks. The material gathered from this autumn's landslide says more than we know before about how Progress Party constituents look on the inside. It says nothing, however, about why the same people with the same opinions refused Hagen's highball in 1985 but drank it in 1987.

It is misleading in many ways to talk about voters who wander. If anything, it is politics that wanders back and forth across the voters. Politics changes the voters' opinions only slightly, or slowly, but it changes their priorities constantly. An issue which is of widespread interest in one election campaign may disappear without a trace in the next campaign. In a given situation, certain tones echo loud and clear while others fade away. This explains how the Progress Party barely survived with 3.7 percent of the votes in the 1985, but received 12.4 percent this year. With the same party leaders and the same platform.

Clear Cut Choice

The 1985 election was a classic example of clear-cut choice: conservative or liberal. The Progress Party did not properly belong to either block and consequently fell by the wayside. But this year? Nonsocialist solidarity had crumbled. The Labor Party was no longer a golden promise, just a gray reality. The Conservative Party could not get anything going. Forming a government was not on the agenda. Taxes no longer went down; they went up. And the immigrant question had suddenly become an issue, because those who were supposed to deal with and direct immigration had obviously lost control. A peripheral question suddenly became a major problem.

Mistake about Future

But can we assume that this abnormal situation will become permanent? In other words, has the Progress Party developed features which will make it less sensitive to general conditions than it has been so far?

History teaches us to be careful how we answer. Just as politics is loaded with good intentions (and regularly with the most appalling results), so the study of politics is loaded with incorrect forecasts. In the mid-1970's, British election experts concluded that Labor, under Harold Wilson, was destined to be the leading party for a long time, because it scored big in the age groups which would constitute the voters of the future and because it had ideas which meshed with young people's dreams and ambitions. But the 1980's have belonged to Margaret Thatcher, while the Labor Party ended up in the attic.

And the Progress Party?

In order to retain its new constituents, the Progress Party must play an important role in the question of who is going to rule Norway. In the long run, it is not enough to protest. You must also be able to show that your protests get results, lead somewhere. In that respect, it is to the Progress Party's advantage that the Center Party withdrew from nonsocialist cooperation. It now follows that Progress Party votes are necessary to make the figures add up correctly. On the basis of this year's election and opinion polls, it is altogether possible that the Conservative, Christian People's, and Progress parties can make up a majority in the 1989 Storting. Which of them will form a government is another matter.

On the other hand, it has become less likely that the old triumvirate (Conservative, Christian People's, and Center parties) can repeat their victory of 1981 or their near victory of 1985. Besides, no one can any longer count on the Center Party, at least no one on the nonsocialist side.

In From the Cold

Can the Progress Party bear to come in from the cold? To seek power means at the same time to accept joint responsibility, i.e., to make tenable compromises within tenable coalitions. A party does not therefore need to abandon its own beliefs, but must be able to defend an end product which is often far removed frem its platform's demands. The Progress Party does not benefit from doubt about its ability to play a key role if it gets one. The Progress Party has so far brought down one nonsocialist government and prevented the formation of another. All in the name of the party's platform.

Migration From Conservatives, Labor 36390022a Oslo AFTENPOSTEN in Norwegian 5 Dec 87 p 3

[Article by Paul Einar Vatne: "300,000 Youths on the Move"]

[Text] Nearly 44 percent of those who voted for the Progress Party this autumn voted for the Conservative Party in the 1985 election, while roughly 24 percent had previously voted for the Progress Party. The biggest share in the Progress Party—outside what trickled in from the Conservative Party—is made up of those who formerly voted for the Labor Party, 16 percent.

These facts ought to worry strategists in the two major parties as new elections approach. An unusually large number of voters are on the move, especially young voters. There is little party loyalty, and the nonvoter group has become quite big.

Election experts figure that a million voters switched parties this autumn or entered and left the nonvoter group. A third of them were under 30 years of age. How the more than 300,000 youths voted had great significance for the election outcome—and the Conservative Party got the worst of it.

Only half of those under 30 who voted Conservative in the 1985 election did the same this autumn. Nineteen percent crossed over to the Progress Party, 3 percent to the Labor Party, and 22 percent stayed home on election day.

Halving

The Labor Party also had many disloyal voters. Just 31 percent of those under who voted Labor in 1985 cast their ballot for Labor in September, 28 percent stayed home, and 8 percent switched to the Progress Party.

It has been common in recent years for age and gender to manifest themselves differently on election day. Young women and young men have gone their separate ways. Young women have largely moved to the left, young men to the right. The results of elections held in schools give a slight indication of what can be expected. First-time voters were not included in the survey of crossover voters (1985-1987) submitted last week by the Central Statistical Bureau and the Institute for Social Research.

Differences

The results from 413 schools showed that the Labor Party received 24.3 percent of the votes, as opposed to 32.2 percent before the 1985 election. But there were big differences according to gender: 29.3 percent of the girls voted for the LAbor Party, but only 18.3 percent of the boys.

Doubling

The conservative Party received 25.6 percent support, as opposed to 31.8 percent in 1985. Here the difference according to gender is not so great: 25.4 percent of the girls and 24.8 percent of the boys voted Conservative.

For the Progress Party, however, the results were very significant. Carl I. Hagen's party received support from 20.2 percent of the students who voted in school elections, as opposed to just 9.2 percent 2 years ago.

Only 14.5 percent of the girls voted for the Progress Party, while 24.5 percent of the boys sided with Hagan and his party. The same tendencies are evident in 20-year-olds, so that there is reason to think the Progress Party now has greater support than the Labor Party among men under 30. It was in this age group that the Labor Party suffered its biggest dropoff in the autumn election. And even though the dropoff was biggest among young men, there was also a considerable dropoff among young men.

12327/12232

SWEDEN

Government Plans Large Increase in Afghanistan Aid 36500043d Stockholm DAGENS NYHETER in Swedish 23 Nov 87 p 16

[Article: "Increased Aid to Afghanistan"]

[Text] (TIDNINGARNAS TELEGRAMBYRA)—The government is now massively increasing its humanitarian aid to the war-torn population of Afghanistan from 22 to 29 million kronor.

So said Lena Hjelm-Wallen, the minister of development aid, in a speech in Ostervala on Sunday. The support will be sent through the Swedish Afghanistan Committee to purchase food, medicines and schools in areas controlled by the resistance movement.

"The suffering in Afghanistan has grown worse, not the least among children, as a consequence of Soviet warfare. New victims of the war are being created every day," Lena Hjelm-Wallen said.

"Soviet troops have violated international law and humanitarian principles with their invasion of a small, nonaligned neighboring country. Sweden supports the Afghan people's right to national self-determination. All foreign troops must be pulled out of Afghanistan," she said.

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Prime Minister Carlsson on European Integration, Bloc Ties

36500043a Stockholm DAGENS NYHETER in Swedish 6 Dec 87 p 12

[Interview with Prime Minister Ingvar Carlsson by Anders Mellbourn, at Rosenbad, date not specified: "Ingvar Carlsson Travels in Europe; EC Report May Become Bill"]

[Text] In the spring Prime Minister Ingvar Carlsson will visit the EEC headquarters in Brussels as well as many important West European capitals.

The government report on Sweden's relations with the EC coming out on 17 December may turn into a regular bill.

Ingvar Carlsson spoke enthusiastically and confidently about Sweden's relations with Europe when DAGENS NYHETER met him at Rosenbad as the final push was on to complete the government's report about future EC cooperation and a few days before the disarmament agreement on intermediate range nuclear weapons, an agreement which is historic for Europe.

The leading political figures of the European Community, EC, and their member countries he will visit are completely aware of the significance Swedish neutrality policy has for stability and the relaxation of tensions in Europe and have never adduced it as a problem in the way it does in Swedish debate. And the unease found not least of all in the Swedish trade union movement that if Sweden makes an approach to the EC, the progress of Swedish welfare policy will be compromised away he considers exaggerated.

Possibilities

Rather, the prime minister spoke positively of the possibilities he saw everywhere. He breathed optimism about both security policy and relations with the EC.

The prime minister did not share the fear, found here and there, that the super power agreement about intermediate range nuclear weapons will negatively affect Swedish security by moving armaments to the ocean and to the Baltic Sea:

"What is interesting about this reduction in the number of nuclear weapons in the world, in and of itself a small reduction, is whether it can become one step among many in the direction of a nuclear weapon-free world. And a nuclear weapon-free world is one of our absolutely top goals."

"If you begin to argue about dangerous consequences for the Baltic Sea and so forth, you end up in a situation in which you don't dare start a process so pieces of it bring new balance problems. We must accept this type of problem if we want a disarmament process."

"What is decisive is that we now have a development in the right direction. Previously we always built up in different steps, with all the problems that led to."

Major Market

According to the prime minister, what is more important for Sweden's security policy position is the fact that in recent years awareness has grown of the significance of Sweden's neutrality policy for keeping tensions as low as possible in northern Europe.

"Talk of Sweden's being taken advantage of has disappeared. Our neutrality policy is seen as a contribution to stability," said Ingvar Carlsson, pointing to his conversations in both Moscow and Washington and with both the West and East German leaders.

This too affects relations with the EC:

"The officials of the EC Commission and of the governments of EC countries I shall meet definitely understand Swedish neutrality policy. There is never a moment of irrigation in our discussions," the prime minister emphasized, in contrast to what is customarily reported about views of Sweden among the EC's bureaucrats.

But Ingvar Carlsson quickly went on to stress that something positive is needed for the EC to be interested in Sweden. And there is something: Sweden and the EFTA are a major market for the EC. Swedish industry has the technical knowledge which is interesting for a Europe competing with the United States and Japan.

Bill

"It is these offensive, positive arguments for cooperation with the EC that we will put before all else," Ingvar Carlsson continued with the same enthusiasm.

[Question] But what is the government really after with its EC policy? What is the purpose of the report which has been announced for 17 December?

Ingvar Carlsson said nothing about the contents of the report but revealed that the promised government report in fact may turn into a regular bill. That will be decided one of these days.

[Answer] The aim is making our positions clearer to both our country and industry and the rest of the world. These positions can be best summarized as meaning we wish to have the best possible cooperation with the EC. But we will not at all ask for membership, since neutrality does not permit this.

And the prime minister steadfastly denies that there really is anything else but neutrality as a hindrance. The government is not keeping quiet about anything else.

"We are prepared to live with the consequences of cooperation and not take the plums. You can't take part in cooperation without having to give something. If you want to gain further results, occasionally you yield on matters you wouldn't have wanted to if you were dealing by yourself," Ingvar Carlsson stressed.

Trade Obstacles

Nor does he share the view that differences in standards and rules for environmental protection, for example, which exist between Sweden and the EC will need to become a decisive problem when dealing with Sweden's adapting to the EC's new internal market:

"Sweden is already so internationalized that we have a better chance at adapting than many EC countries."

"In the environmental field, I see a problem only if the EC should suspect there are technical trade obstacles behind our ambitions in any area."

According to the prime minister, there is also occasionally in the Swedish debate a tendency to belittle somewhat the ambitions to be found out there in Europe:

"There is a trade union movement there as well and the people exert an influence on different environmental measures."

Ingvar Carlsson also wanted to repeat that a non-member does not solely have to adapt. As long as the EC itself has not made a decision, there is an opportunity, by means of the EFTA general agreement, to promote Swedish points of view and wield influence. With the help of Denmark and the socialist parties in the EC countries, he thus considers that Sweden can already promote its ideas.

European Trips

In the spring Ingvar Carlsson will involve himself personally in European policy. Jacques Delors, the EC Commission chairman, will come to Stockholm in January. And later the prime minister himself will travel to both EC headquarters in Brussels and several important West European capitals.

Workplace conditions are the only example Ingvar Carlsson would mention where he saw the risk of conflicts between EC standards and what Swedish authorities have an obligation to enforce as a result of legislation and agreements. But he believes those negotiating problems which may arise are not particularly worrisome compared with the problems which could arise if Sweden positioned itself outside the entire process for an internal European market. And the problems are not so major that they could jeopardize the whole Swedish negotiating process with the EC.

[Question] Is it appropriate to draw a comparison to the adaptation the European Court is imposing on the Swedish legal system?

[Answer] This is interesting. This is being described as a mammoth problem for Sweden to cooperate with Europe. But only eight Swedish cases have come before the Court. Verdicts have come down against us in four cases, three of these for the same reason. That's all.

[Answer] If we are to participate in Europe, every time we have to adapt on any point after the others, it shouldn't be described as a big defeat. Something may happen in the ecomomic area about trade or currency on which we in a similar fashion will be obliged to make changes in our traditional policy. But we won't describe this as major catastrophes.

But Sweden's Europe policy cannot affect just the EC. Eastern Europe is a part of it as well. Now there is more talk about a "process of normalization" in a post-war Europe which has been divided for more than 40 years.

Contact With The East

[Question] Can Sweden in any way support the trend towards greater internal freedom and independence in the countries of Eastern Europe?

[Answer] We will not overtax our forces, the prime minister replied carefully. What can happen in Eastern Europe is a function of the general trend between the US and the Soviet Union. If we achieve a result from the negotiations, this too will have a positive effect in Eastern Europe, and vice versa.

But Ingvar Carlsson preferred to assert that there is considerable interest in Eastern Europe in contacts with Sweden, both on disarmament issues and on construction or business and trade policy. And trade with Eastern Europe has a good chance of increasing. The catch is that countries such as Hungary, Poland or East Germany, the GDR, cannot afford to increase their imports from Sweden. And both quality and prices are still problems for them if they want to sell their goods here.

[Question] How European is Sweden really when all is said and done? As far as popular culture and lifestyle are concerned, isn't Sweden perhaps the most Americanized country in Europe?

On this point the prime minister spoke of the need to increase student and youth exchanges with Europe:

[Answer] Traditionally we have been very focused on the United States, which very generously has allowed many of us to go over and study. I now think it is also important for our youth to go to countries like West Germany and France, for example, to learn the language and the culture and how the countries work in social terms.

[Answer] Without wishing to decrease the extraordinary research and training cooperation we have with the United States, I would say there's room to expand this to Europe.

[Question] In spite of the policy of neutrality, the US does affect Sweden's security policy as well. Isn't it really in Sweden's interest for the US to remain militarily in Europe as long as the two power blocs face one another?

The prime minister replied somewhat deprecatingly:

[Answer] As a neutral we really don't have anything to do with the issue. Here we come to NATO strategy. I don't think any current calculations will entail the US's pulling back from Europe. As for Sweden's view, there is no Swedish interest in bringing the issue up now. We don't think any critical points would be resolved if the US pulled back. We are busy with entirely different issues.

Poll Indicates Gains by Center Party for First Time in Months

36500043c Stockholm DAGENS NYHETER in Swedish 30 Nov 87 p 14

[Article: "Voter Barometer: Center Party Gains, According to Swedish Institute of Public Opinion Research"]

[Text] (From TIDNINGARNAS TELEGRAMBYRA)—According to the Swedish Institute of Public Opinion Research (SIFO) survey to appear Sunday in four morning newspapers, the Center Party has gained for the first time in several months.

At the same time the Moderate Coalition and the Liberal Parties decline, and the socialist bloc, according to SIFO, has an adequate lead.

The November voter barometer reminds us strongly of the September survey and indicates that the major changes observed in October, with an upswing for the Moderates and a decline for the Social Democrats, were coincidences.

In the November survey, the Social Democrats are just 3.7 percentage points greater than the three nonsocialist parties put together. When the Left-Wing Communists are added, the lead is a whole 7.9 percentage points. Not even with the help of the Greens, the environment party, do the nonsocialists achieve a majority.

The results of the November poll, which was based on 1,950 interviews, are as follows, the changes since October being given in parentheses: Social Democrats, 46.0 (+1.8), Left-Wing Communists, 4.1 (+0.4), Moderate Coalition, 18.1 (-2.9), Liberal Party, 15.1 (-0.9), Center, 9.0 (+1.3), Environment Party, 6.2 (+0.3), Christian Democratic Union, 1.2 (0), others, 0.2 (0).

The number of voters who cannot pick the best party is still high, 8.4 percent. The survey was conducted 4-24 November.

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TURKEY

Soviet Relations Affect TCP Move 35540039a Istanbul MILLIYET in Turkish 10 Nov 87 p 9

[Article in column "Corner" by M. Ali Birand: "Soviet Eyes on Ozal"]

[Excerpt] The topics that are going to most occupy Turkish-USSR relations in the period ahead are now clear. When you have a series of discussions with officials in Moscow, the main lines are immediately drawn.

1988 is shaping up to be a seesaw year, with mutually uncompromising attitudes and conflict-filled problems, but with the promise of extremely busy months ahead.

TCP or Ozal

Moscow's attitude toward the return of the TCP and Turkish Worker Party [TWP] secretary generals may be summarized in a composite of what the officials said as follows:

"The important thing for us is not to damage our relations with the Ozal government, to avoid any action or stance that would give the appearance of interfering in Turkey's internal affairs. However, don't think that we are going to totally ignore attitudes tantamount to destruction of the TCP and the TWP. We will oppose their annihilation."

The Soviets provide moral and material support in greater or lesser amounts to the TCP and TWP. And they will continue to do so. They see this as their duty. As the "Mother Communist Party" they would suffer great loss of prestige internationally if they did not provide this support. However, Moscow is watching Ozal. They see it far more in their interest in the long run to develop relations with the ANAP. In short, if the Ozal government does not respond in a harsh and brutal way to the return of the TCP and TWP secretary generals, but keeps its reaction within bounds, Moscow will not have too much to say. The Soviets do not seem overly convinced that the time has come for the communist party to be established in Turkey.

How Moscow Views Kurds

Another topic that closely concerns us is the USSR's view of the "Kurdish problem."

The Soviets (like other Western powers) have one view for public consumption and another kept in secret. Which ought one to believe?

The truth is, as with all super powers, we cannot believe, or have confidence in, the appearance of "innocence" in their public declarations. Closest to holding a light to Moscow's attitude was what Falin told us:

"We do not wish the Kurds to lose their identity."

—An extremely flexible approach, capable of interpretation from any angle.

Moscow supports the Kurds to the same extent (perhaps more or less) as the West. It supports an independent Kurdish state, if that state leans in its direction and to avoid losing the chance of realization of this, supports the Kurds with money, arms, and political backing in the war they are pursuing. However, our impression is that Moscow cannot afford to formulate a concrete, precise policy on the Kurdish problem. The uncertainty in the Middle East is very disturbing to Moscow and this automatically reflects on the Kurdish problem. They intend to continue their support, therefore, but neither to increase it, to allow establishment of an independent state, nor to let it reach the point of totally abandoning the Kurds.

Nuclear Weapons

The number of nuclear systems and nuclear warheads presently in Turkey does not bother Moscow at all. Officials of the Soviet Defense Ministry made this very clear to us. They consider those now on our soil as "defense oriented."

However, the thing that bothers them and what they have started pressuring Ankara about is the NATO nuclear modernization program. They do not think Turkey will be able to offer much resistance to this program. To protect their own interests, they are sending Ankara the message, "Don't take the new nuclear system. You'll ruin relations."

Actually they are saying, "Don't take anything," but are paying careful attention to which new system Turkey will receive. Will it be Lance-2's or missiles to mount on F-16's?

Turkey will get nowhere if it listens completely to the Soviets on this matter and attempts to act accordingly. It is in our interest, at this stage of revising our nuclear policy, to pay attention to our relations with the Soviets (even in today's generally softening atmosphere). However, we must not overdo it unnecessarily, either.

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EUROPEAN AFFAIRS

NATO 1990's Helicopter Nears Development Phase

36200058 Bonn WEHRTECHNIK in German Dec 87 pp 64-68

[Article by Wolfgang Flume: "The NATO Helicopter 90—A Large-Scale Quadrilateral ?rogram;" first paragraph is WEHRTECHNIK introduction]

[Text] Obscure until recently—at least in comparison to the hotly debated German-French antitank helicopter project—another European collaborative helicopter program has "blossomed." It is the so-called NATO Helicopter 90 (NH-90), also known by its two versions, the TTH (Tactical Transport Helicopter)—designated LTH-/SAR (Light Transport Helicopter/Search and Rescue Helicopter) in German for the German Air Force-and the NFH (NATO Frigate Helicopter) which is the Navy Helicopter 90-called MH-90 [Marine Hubschrauber 90]) by the German Navy. This program has been actively pursued in Europe since the end of the seventies. Currently the helicopter industry of France, Italy, the Netherlands and the Federal Republic of Germany is engaged in the project definition phase. The development phase is supposed to begin in mid-1988—subject, of course, to parliamentary approval—and the roughly 9-ton helicopter could be introduced to military forces about 1995/96. The following article describes the preliminary work for this large- scale project and the design of the two versions.

While the PAH-2 ["Panzerabwehr Hubschrauber" (antitank helicopter)] had been a German-French project from the start (in retrospect the question arises why neither country has tried to broaden the project's base), the preliminary work for the NH-90 has been multinational.

Actually all European countries with a helicopter industry—namely Great Britain, France, Germany and Italy—had a requirement for a modern transport helicopter, which would preferably be developed by a cooperative European effort. France, for instance, thought of a successor model to the PUMA while Great Britain and Italy soon agreed on the SEAKING-successor EH-101 (13 ton takeoff weight) but they, as well as Germany, had the additional requirement for a somewhat lighter model.

1979: Tactical Requirement for LTH/SAR

In 1979 the German Air Force defined its tactical requirements for a light transport helicopter of the 6-t class (maximum takeoff weight 6.8 tons) which would also perform SAR missions. Toward the end of the eighties the LTH/SAR was to replace the UH-1D (takeoff weight 4.3 tons) for these tasks. The Ministry of Defense then determined that this helicopter should meet the requirements of all three services.

At that time the Air Force also had a requirement for about 30 medium- weight transport helicopters [MTH] with a rated load of about 3.5 to 4.5 tons. This wish came to naught, however, when the MTH planned by the Army was deleted from the 1981 armament report. A type of semi- generational change for the UH-1D remained. There is a requirement for 60 LTH/SAR and about half of the Air Force's 115 UH-1 are supposed to remain in service at least until 2005; this, however, makes a life- extending program indispensible for them.

1983: Tactical Requirements for MH-90

The Navy then defined its tactical requirement for a (MH-90) to replace the LYNX and SEAKING in the beginning of the eighties. This tactical requirement was approved early in 1983. The requirement called for 80 helicopters—supposed to be somewhat heavier than the LTH/SAR— including 24 land-based and 56 onboard helicopters (two helicopters each for 16 destroyer/frigates). These figures include a floating replacement reserve and training helicopters.

When the Air Force's tactical LTH/SAR requirement was defined, acquisition of such helicopters as Aeerospatiale's SUPER PUMA or Westland's WG-30 was initially contemplated because of the small numbers involved; in other words, European models since the Ministry of Defense had already stated in 1978 that European sources should be given preference when future German helicopter requirements are met, thus supporting British, French and Italian intentions to strengthen collaboration in the helicopter sector. Sikorsky's UH-60 BLACKHAWK, whose capabilities were supposed to be matched by the LTH, would, if necessary, be available as backup.

European Helicopter Collaboration

This culminated in the so-called European Helicopter Collaboration (EHC) which, though merely a hope at first, in 1985 led to an agreement between the states. During the project's planning phase the four nations, but primarily Germany and France, also agreed on assigning 'responsibility" of sorts. Germany was to take the lead in developing a light helicopter (in this case the PAH-2), France an intermediate helicopter (takeoff weight about 6 to 12 tons) and Great Britain a heavier model but a precise division of classes was never spelled out. Parallel to the first German and French PAH-2 studies, there was also a joint study of the LTH which later became an input to the official EHC study of a tactical transport helicopter (TTH) that was conducted between May 1982 and April 1983. The conclusion: Most requirements of the four nations could be satisfied by a helicopter with a takeoff weight of 7 to 9 tons.

Even somewhat earlier, from June 1981 to October 1982, a NIAG (NATO Industrial Advisory Group) prefeasibility study had examined the problem of a NATO frigate helicopter (NFH) for the NATO Frigate 90.

Whereas the United States thought primarily in terms of a Navy version of the BLACKHAWK, the SH-60B LAMPS, Great Britain aimed at the EH-101 which it is developing together with Italy. The study determined that for a configuration that could meet all mission requirements of the naval forces without change in equipment, the NFH would have to weigh about 13 to 14 tons. Helicopter designs of different weight were therefore suggested and a majority of the nations chose a NFH with a takeoff weight of roughly 9 tons. This induced Great Britain and Canada to abandon the project since they needed a heavier helicopter. The United States, being satisfied with LAMPS, also lost interest.

NATO Staff Target for NH-90

In 1985 the Europeans agreed within NATO to meet both the TTH and NFH requirement with one model, if possible. ECH also agreed that only those who had a requirement should participate in development. Between September 1983 and April 1984 NIAG examined in a so-called communality study to what extent requirements for the TTH and NFH could be combined. The result was positive and in effect resulted, early in 1984, in the NATO Staff Targets [NST] for a NATO helicopter 90—separated into a TTH and NFH version—with a takeoff weight of 8 to 9 tons. The five nations, comprising Great Britain, France, Italy, the Federal Republic of Germany and the Netherlands, then approved the NSTs but Great Britain indicated that it only needed the TTH.

Pre-Definition Phase—FPDS

At the end of 1984 the nations already agreed on a Feasibility and Pre- Definition Study [FPDS] wherein "feasibility" was to apply primarily to equipment while "pre-definition" for the helicopter itself had already progressed somewhat further. In PG-28/20 the four navies and five land and air forces (in Germany only the Air Force would receive the TTH initially) agreed relatively quickly on a joint statement of work for the NFH and TTH, which in effect became the international performance specification for the two versions of the NH-90. The requirements included the stipulation that most equipment used should be commercially available during the acquisition phase (beginning in 1995), thus eliminating the need for everything to be newly developed. This also applied to the engine: The RTM-322 from Rolls Royce/Turbomeca (MTU would also participate in production) or the General Electric CT7-6, a refined version of the proven T700, would be relied on.

At the beginning of the FPDS the nations reported the following requirements: Great Britain, 90 TTH; France, 150 TTH, 60 NFH; Italy, 150 TTH, 64 NFH; Germany, 60 TTH, 80 NFH; The Netherlands, 46 TTH, 24 NFH; or a total of 704 [the figures add up to 724] helicopters of which 228 were Navy helicopters.

Since France—apparently annoyed about the dispute over the European fighter aircraft—in the summer of 1985 "sulked" for several months, the start of the FPDS was delayed until fall because the international agreement itself was not signed until 19 September 1985. This first government-paid job for the NH-90 was planned for 14 months, up to November 1986, at a cost of 11 million ECU [European Currency Unit] (about DM22 million) apportioned between the nations at a ratio of 1:1:1:1:0.6 (the last for the Netherlands).

Neither the governments nor industry created a firm organizational structure for FPDS work. Each nation paid its industry which, on 10 April 1985, had merely signed an industrial organization charter concerning collaboration in this phase. The work was coordinated by Aerospatiale. The other leading national companies were Westland, Agusta (now called Gruppo Agusta), MBB and Fokker.

The result of the FPDS—which is the helicopter design described below—was approved by the five nations and an agreement was reached relatively quickly on two NATO Staff Requirements (NSR) as a basis for the TTH and NFH definition phase, scheduled to begin in mid-1987, and on a Statement of Work for the NH-90 which defines the work to be accomplished. The initiated collaborative effort received a hard blow when Great Britain's abandoned the project in April 1987 (triggered by the crisis over Westland's future which involved Sikorsky). The Statement of Work for the TTH was now "revised" to accommodate the four remaining partners. This task was completed in June and induced industry to start work on 15 June 1987 at its own risk since the government-level agreement for the project definition phase (PDP) was not signed until 22 September 1987.

12-Months Definition Phase

The cost of 15 million ECU (about DM30 million) for the 12-month definition phase is now born equally by all four partners. Industry has established a small, four-men office in Paris to coordinate the work which reports to the Industrial Project Group and includes the general coordinator from Aerospatiale and one representative each from the four participating companies. The actual work is accomplished by 15 industrial teams of experts in which each firm has one representative in each team and one firm acts as the spokesman. At a lower level are also so-called subgroups.

The government organization is almost a mirror image: The Joint Executive Committee corresponds to the Industrial Project Group.

An official organization (based on NAMMA [NATO Multi-Role Combat Aircraft Development and Production Management Agency]) as well as a joint firm are only planned for the development phase, which could follow the definition phase directly after the end of 1988. Personnel levels, however, are supposed to be kept very

low. The 9-year development phase—not including engines—should cost 1.5 billion ECU, and roughly 300 million additional ECU for serial production preparations. Since costs are supposed to reflect subsequent requirements (Germany 140, France 210, Italy 214, and the Netherlands currently only 50 helicopters, for a total of 613 [total adds up to 614]) Germany's quantitative share would be 23 percent (since we require more "expensive" NFH than TTH, this would represent exactly 25 percent of costs) or roughly DM1 billion. MBB's natural desire to let Germany share development costs at par with France and Italy (30 percent each in that case)—which would surely improve Germany's position in the development phase—must still be analyzed and will therefore remain only a hope for some time.

The first flight of the first of six prototypes to be constructed (four basic helicopters and one TTH and NFH each) would be in early December 1991; the delivery of the first serial TTH in mid-1995 (the Air Force also requires the introduction of the LTH/SAR in 1995); and the first NFH would follow 10 months later: a little late if one considers that the German Navy wants to put its first Frigate 94 (class 123)—for which the NFH is, after all, intended—into service in 1994.

The fly-away price for a TTH is supposed to be roughly 8.5 million ECU and 16 million ECU for a NFH, from this the weapon-system price for a German Navy helicopter can be calculated to be roughly DM55 million.

Military Requirements

NFH

The NATO frigate helicopter (NFH)—designated Navy Helicopter 90 (MH- 90) by the German Navy—should be able to execute two major missions:

- —ASW or antisubmarine warfare including detection, classification, submarines pursuit and engagement (with sonobuoys, dunking sonar and torpedoes).
- —ASUW (antisurface unit warfare) including detection, classification, identification, pursuit and engagement of surface targets (e.g. with PENGUIN, SEASKUA or AS-15TT missiles) as well as relay and transmittal of target data.

It should be able to defend itself against aircraft (e.g. by being equipped with STINGER and other weapons) and detect aircraft, helicopters and surface target guided missiles.

So-called secondary missions would be VERTREP (vertical replenishment) or airborne resupply and SAR service.

The NFH should also be suitable for transport of personnel and for light mine-laying duty.

A cruising speed of 120 knots and a staying power of at least 4 hours are required. It must have a day and night capability to land on ships and takeoff from ships, even under instrument conditions (IMC) and force-six seas.

TTH

The TTH, for land forces (German Air Force designation LTH/SAR) is intended for the following missions:

- —Tactical air transport of 14 to 20 soldiers and materiel for the support of land forces with an operational radius of 250 km;
- —Tactical transport of persons and materiel (roughly 2,000 kg);
- —SAR: including rescue of crews who crashed behind enemy lines (combat rescue);
- -Reconnaissance:
- -Electronic warfare [EW];
- -Airborne command post;
- -Dropping paratroopers;
- -Laying mines from the air;
- —Training.

This requires the TTH to have a all-weather flight capability with a maximum speed exceeding 160 knots and a cruising speed exceeding 140 knots and to remain airborne for 2 1/2 hours. French requirements also include a capability to transport light wheeled vehicles (ULTRAV) for which French TTH will be equipped with a rear loading ramp.

These special requirements for the NFH and TTH are supplemented by the following:

- —Day and night all-weather capability during rain, snow, hail, thunderstorms and icing conditions;
- —Takeoff and landing at altitudes up to 4,000 m (ISA +10 degrees);
- —Starting with wind velocities of 45 knots from any direction at altitudes up to 1,500 m (ISA +20 degrees);
- —Peak operating altitude 6,000 m;
- -Low-level radar, noise, and IR radiation;
- —High survivability in emergency landings (crash resistance):

—Low vulnerability: e.g., the helicopter should be able to fly for 20 minutes after being hit by 23 mm HEI [high-energy impact] ammunition and even complete a mission after receiving a 7.62 mm hit.

The Helicopter

The NH-90 is an intermediate, twin-engine multipurpose helicopter. Its two versions are designed with state-of-the-art technology to achieve high operational effectiveness. The goal is a basic helicopter with a high degree of communality. Even equipment should be kept as uniform as possible: with a uniform cockpit, a joint "core" bus for flight related systems and an additional bus for mission-oriented equipment. National, usually mission-oriented, characteristics—so-called "options"—should be held to a minimum.

The 16.44 m long fuselage consists primarily of composite fiber material (noncorrosive), even for supporting members. It is divided into four sections: a forward fuselage, a lower central section, an upper central section and a rear section.

The cockpit is designed for two pilots taking advantage of latest insights and includes four 20 x 20 cm multifunctional display panels, central control units, state-of-theart controls (short stick and fly-by-wire) and also provides good outside visibility. The German Air Force requires the LTH/SAR to be flown by one pilot under IFR [instrument flight rules] conditions, the same applies to the Navy's MH-90 which, however, to carry out its missions, requires a three-men crew consisting of a pilot, a navigational/operational officer and a sensor operator (the latter two in the main cabin). A special effort has been made to design the helicopter to be personnel efficient.

The quadruplex fly-by-wire control should improve ballistic protection; an integrated monitoring and test system with an automatic monitor for component parts as well other structural characteristics should help to keep maintenance and repair costs low. Special attention is being paid to prevent fractures in case of emergency landings and to low vulnerability under fire.

The cabin, which can be reached through a small walkway from the cockpit, has a volume of 12.8 m³, its 1.55 m height exceeds that of the UH-60. The TTH cabin holds 14 to 20 soldiers; quick loading is made possible by a 1.6 m wide and 1.5 m high sliding door on each side of the fuselage. The hexagonal shape of the fuselage profile is rather unusual, it eliminates vertical walls which reduces radar beam reflection.

The passage between the 2.7 m wide fuselage and the tail boom is designed in such a way that a loading ramp with an entrance height of 1.6 m can be installed. There are two enlargements to accept the retractable main landing gear (just like the nose gear) on the side of the fuselage. Fuel tanks are located at the bottom of the cabin.

The rear boom with the four-blade hingeless rear rotor can be folded against the fuselage—just like the main rotor—automatically in the NFH and manually in the TTH. If the main rotor, the sponsons, and part of the landing gear are removed, the NH-90 becomes air transportable by a C-130 or C-160.

On the fuselage, at the sides below the rotor head, are two spatially- separated and easily accessible power units—there is an option to install an auxiliary power unit (APU) between the two power units to expedite starting at very low temperatures. The four-step main gear reduces power unit revolutions from 20,500 min⁻¹ to 260 min⁻¹.

The four-blade flexible main rotor (most probably a SPHERIFLEX model) with elastomer mounting has a 16 m diameter. The rotor blades, except for the metal guard with the de-icing system at the forward edge, consist of composite fiber material with a two-part, foam-filled box spar made of glass-fiber reinforced plastic, a honey-comb structure for the profile and a glass-fiber reinforced plastic/Kevlar surface with radar-absorbing paint. The rotor is supposed to provide excellent lift, which should have the effect of preventing the profile across the length of the blade from being homogenous. The blade tips will be designed in accordance with the latest aerodynamic technology. After Westland withdrew from the cooperative effort, the BERP (British Experimental Rotor Programme) blade tip, with its advantages for high-speed flight, will probably not be considered any more. The rotor head itself is made of titanium.

Since the prevention of flight fatigue is a development goal, great emphasis is placed on oscillation dampening. This may be achieved by an active oscillation-prevention system (higher harmonic control) at the base of the rotor which would, however, "cost" one percent of the takeoff weight. Passive systems could also be considered or possibly a coordinated spring/mass system—researched in France—for mounting the power train.

Mission-Oriented Equipment

For the highly integrated mission-oriented equipment the NH-90 has its own bus at its disposal in accordance with MIL-1553. Equipment differs for each version; there was, however, the basic goal to standardize equipment as much as possible.

TTH

Its mission-oriented equipment includes, aside from the mission computer, an IFF [friend-foe identification] set, a radar-based obstacle warning, a data link, EW equipment as well as two main weapon stations on the side of the fuselage and a system equipped with one or two distance/angle sensors to permit flying in formation even under IFR conditions. Vision-oriented equipment includes night vision equipment (night-vision glasses or

a pilot thermal image instrument with picture transmission to the visor), weather radar and laser. IR and radarwarning sensors which, when needed, can release !R flares or chaff for self-defense.

Armament includes STINGER or MISTRAL air-to-air missiles for self- defense, gun or missile pods (e.g., with a 27 mm Mauser) and 7.62 MGs (so-called Pintle guns) which fire from the side through open cabin doors.

NFH

Mission-oriented equipment of the NFH varies in accordance with the operation—e.g. ASW or AAW—and can be changed prior to the unit's operation. Available for antisubmarine operations are dunking sonar, sonobuoys, MAD, torpedoes and a radar underneath the fuselage which can even detect even targets in heavy seas. However, since air targets should also be acquired, the proper design and installation of the radar remains to be optimized. A thermal-imaging set will also assist target detection.

Aside from a state-of-the-art EW system, e.g., for the passive acquisition of a threat, the NFH will also be able to carry such weapons as torpedoes, STINGER, light sea-target guided weapons or mines.

The Road Ahead

Industry is currently involved with definition-phase work. It confers about division of work; here decisions will naturally be affected by the German decision concerning the percentage share of development costs. The assignment of job parcels will also be affected by subsequent distribution of production. A so-called "major module concept" is being considered according to which firms would deliver their largely-equipped components to a final assembly point to expedite final assembly.

The helicopter was divided into three material categories: the helicopter, equipment and furnished equipment (GFE). The latter also includes the power units. It is hoped that industrial teams will form for the equipment elements which would preferably include firms from each of the four participating countries. Savings achieved by competitive bidding should, of course, be attempted nevertheless.

Toward the end of this year the firms already want to submit results of such high quality to government authorities that they can be used as a basis for a decision, hopefully early next year, on the international agreement regarding the start of the development phase and the German MTWF. Whether this schedule can be adhered to is, however, very doubtful, especially since parliamentary action is required.

A comparison of the NH-90 project with that of the PAH-2 [antitank helicopter] reveals that in the former there was a much greater common effort about all

relevant problems on the part of the nations, the parties which have requirements and participating firms than were was for the PAH-2. The preliminary work has made much more progress; at least two tactical requirements exist on the German side. Four international studies and a joint NST [NATO Staff Target] and NSR [NATO Staff Requirement] have proven the feasibility of the desired solution, and unwelcome surprises—such as those experienced with the antitank helicopter—are not in evidence. The PAH-2 discussions will nevertheless have an effect on the future treatment of the NH 90, its cost increases and the questions about technological gain.

Is the NH-90 really necessary? The navies, armies and air forces have established requirements to that effectthose of the German Army, which also still flies the UH-1D, should become concretized after the air mobility concept has been drafted. Toward the middle or end of the next decade a new helicopter must become available and—considering the fact that it will remain in service for 20 to 30 years—it should be newly developed to benefit from technological advances. These reasons actually preclude a procurement, or licenced manufacture, of an American model, especially for France. Only the UH-60 BLACKHAWK could be considered, and it will represent a 20- to 25-year-old design by the midnineties; the LHX planned by the United States—which is supposed to replace most UH-1 aircraft of the U.S. Army—is unsuitable, if only because of its size. The technological gain for the helicopter industry is probably greater for the NH-90 than for the PAH-2; the NFH in particular is a very costly and challenging weapon sys-

Thus one will have to say "yes" to the NH-90, which will also have a chance on the civilian market. To say "no" would mean a premature end to the planned long-term European collaboration in the production of helicopters. An attempt should, however, be made to include Spain and to rekindle British interest in the project. It would be sad if the transport helicopters, too, were to experience the same simultaneous European efforts as was the case with the antitank helicopters.

12628

FINLAND

Armed Forces Chief Sees Army Lagging Behind in Modernization

36170025c Helsinki HELSINGIN SANOMAT in Finnish 23 Nov 87 p 11

[Article: "Klenberg: 'Development of Armed Forces Lagging Behind""]

[Text] The development of the armed forces has fallen behind the recommendations of the Parliamentary Defense Committee according to an assessment made by Vice Admiral Jan Klenberg, chief of the General Staff, on Sunday in Helsinki. Klenberg, who spoke in Helsinki at the national defense celebrations of non-commissioned reserve officers, considered that the resources proposed by the defense committee should be granted for the use of the defense forces or a new parliamentary estimate should be made. "There is no room to treat defense policy as driftwood," said Klenberg.

He pointed out the fact that procurement funds in next year's budget are for the second year in a row a full 30 million markkas below those parliamentary recommendations according to which the armed forces should be renewed.

10576

Civil Defense Organization To Be Altered 36170025b Helsinki HELSINGIN SANOMAT in Finnish 22 Nov 87 p A 9

[Article: "Section Chief Pekka Myllyniemi: 'Civil Defense Organization To Be Revamped'"]

[Text] As we enter the 1990s revisions must be made in the management systems of the civil defense organization. According to Chief Pekka Myllyniemi of the Rescue Section of the Interior Ministry, cooperation among officials and communication systems are also in need of improvements. Appropriate management facilities must be procured for command centers and communication readiness must be revised in accordance with the plans made after the nuclear power plant accident in Chernobyl.

Myllyniemi spoke in Helsinki on Saturday at the 60th anniversary of the Civil Defense System.

A radiation surveillance network must be functional throughout the basic structure according to Myllyniemi. The Interior Ministry's own network is, however, being continuously supplemented. New procurements of equipment must be made as the 1990s approach. An automatic network to supplement the manual measuring network will also be needed in the 1990s.

A gas surveillance system must also be developed in addition to radiation surveillance in Myllyniemi's opinion. Functioning outdoor alarm systems must be operational in all municipalities in the 1990s.

He considers that a revision of the civil defense law is necessary for the reason that statutes regarding population shelters do not correspond with the estimated threat scenario.

No Reason For Self-Satisfaction in Finland

In the opinion of Chairman Eero Salovaara of the Civil Defense System, who spoke at the celebration, there is no cause for great self-satisfaction in Finland if we are to compare the funds used for civil defense in various countries. In Finland, the expenditure is 50 markkas per person, but in Sweden, Norway, and Denmark the expenditure is more than 30 markkas more per person than in Finland.

10576

FRANCE

Structure, Function of Reserves Examined 35190033a Paris ARMEE ET DEFENSE in French Nov-Dec 87 pp 40-42

[Article by Lt Col (Retired) R. Dautan]

[Text] For the past 40 years the NATO countries and France have lived under the shelter of the American and of the nuclear umbrella A strategic doctrine was developed under which it was necessary to set up or modernize strategic nuclear forces while maintaining at the same time a small, conventional army. What will happen to this doctrine if the two super powers reach agreement on nuclear weapons? Would it not be necessary to reconsider the use of certain weapons (an enhanced radiation bomb or biological and chemical weapons) and, above all, the use of conventional weapons and units? Would it not be necessary to consider an expansion of the latter, which could only be achieved, at first, by a quantitative and qualitative increase in the reserves? In case of a change of doctrine, would it not be necessary to be ready to implement the necessary changes as soon as possible? And will the present and future situation make this possible?

Ancient history has taught us that the development of armies used to take place in the following direction: national mass armies, then standing armies, and, finally, professional armies. This change took place either due to a deterioration of domestic institutions, of customs, or of a sense of civic duty or following the appearance of a new weapons system. Armies fought better, the more coherent and homogenous, the better equipped, and the more motivated they were and provided that there were no flagrant abuses in ti.eir system of recruitment. Therefore, it is necessary to have a complete balance between the type of army chosen and the principles which control its recruitment.

I. Review of Numerical Data Regarding the French Armed Forces

If we set aside the 141,675 civilians who work for it, the French Armed Forces include 562,116 men, of whom 311,386 are in the active forces and 250,730 are conscripts. It is a highly professionalized, standing armed force, since 55.4 percent of it is composed of professional military personnel. This state of professionalism is all the more extensive when you compare one branch of the armed forces with another. In the Army, 37.5 percent are professionals; in the Air Force, 62.2 percent are professionals; and in the Navy, 73.2 percent are professionals.

The action taken in 1984 to reduce the size of the armed forces in practice involved only conscripts (There was a reduction of 7,000.). Female military personnel amount to about 19,000. There are 10,647 long service, volunteer conscripts.

France earmarks 4.5 percent of its Gross Domestic Product to military expenditures (compared to 7.1 percent in the U. S., 5.4 percent in Great Britain, and 3.3 percent in the Federal Republic of Germany).

French reserves amount to 450,000. That is, the number of enlisted men who have been demobilized for less than 5 years amounts to 393,000 (compared to 962,400 in the U. S., 750,000 in the Federal Republic of Germany, 284,000 in Great Britain, and 5.3 million in the USSR), in addition to the necessary number of officers and non commissioned officers.

II. Review of Numerical Data on Recruitment

The actual number of men reaching military age each year (1985 figure) is 439,000. Out of this figure:

-79,405 are exempt from service and 34,274 are deferred, for a total of 113,679.

The Armed Forces call up 272,000 men each year (or 10 percent more than needed), taking into account:

—personnel reincorporated when they reach their units or in the course of service (about 6 percent).

—the early release of personnel for essentially family reasons (4 percent).

There are about 15,179 who do not report for duty.

The other forms of national service include 8,027 personnel (3,435 assigned to the foreign assistance program, 985 assigned to technical assistance, 639 to the police, 231 to the prisons, and 2,737 conscientious objectors).

One French male out of three performs no national service.

Whereas the replacement birth rate is 2.1 percent, the fertility rate of French women has fallen to 1.7 percent. The insufficient number of marriages (a decline of nearly half in 10 years), the doubling in the number of divorces in the same period, the increased incidence of men and women living together outside of marriage, and a larger number of unmarried people are the cause of this fall. (By comparison, in 1982 the number of children of foreign parents increased by 12.3 percent.) Under these conditions the manpower resources available (the number of young men called up to serve in the Armed Forces) will fall to 221,000 annually by the year 2000, reflecting a loss of 50,000 men.

Therefore, it will be necessary to return to the principle of absolute equality provided for in the Law of 21 March 1905, by abolishing all exemptions and deferments. Or, if we wish to maintain the same physical criteria, we will have to resort to compulsory service for females. Any increase in the number of conscripts will necessarily have to take into account unavoidable demographic developments over the next 15 years (see ARMEE ET DEFENSE of January-February 1985, pp 22-23).

The brief preceding summaries—which may serve as a basis for further reflection—make it possible to identify some proposals for immediate reforms in the Armed Forces, in the national service system, and in the reserves

A. Reforms in the Armed Forces

If present developments continue, the French Armed Forces will become a professional service, ultimately including only volunteers.

As national defense is a matter for all French citizens, it is important for us to return to the stage of standing armed forces by increasing the number of conscripts (and long service volunteers) and by creating new units (Surface to air artillery could broadly stand a doubling in the number of its personnel.).

However, it is also necessary to rid ourselves of certain, bad habits or ideas which, for the most part, have been borrowed from the civilian sphere of activity. As far as that is concerned, this does not mean that they are any better. These practices and ideas involve mobility, a fixation with "examinations," and age limits. Mobility requires everyone to change his place of assignment, generally every 2 years. Now this period of time is too short to develop a deep understanding of the responsibilities of a new position, to become fully up to date and to have a comprehensive knowledge of people whose career, in part, will be a function of the grade which they have received. Assignments of 4 years would be better.

France and the French Armed Forces have never been subjected to so many competitive examinations or tests to obtain various certificates or qualifications. Apart from the fact that preparations for these examinations to some extent distract them from the daily tasks assigned to them, it seems that there is also some distraction due to the fact that the position to be held can only be obtained after successfully passing these tests or examinations. Now, a diploma signifies a level of knowledge but not of competence. Intelligence by itself is not enough for a leader because it must be accompanied by a spirit of decision and courage (qualities which are innate but which a test or examination will not bring out.).

Finally, seeking to prevent someone from promotion to a position under the pretext that he is overage is an error It is well known that somewhat older personnel may turn out to be better.

B. Reforms in the National Service System

Each year, to a flourish of trumpets, a reform in the national service system is announced which, in fact, involves only a "limited reform" (even though it may be considered useful). This is because the basic problems are not dealt with. How can we make young men become aware of the needs of defense and teach them why they may have to fight, when one Frenchman out of three avoids military service and each one of the other two would like to be the one who does not have to serve? Numerous deferments or exemptions do not carry much conviction.

Therefore, it is necessary to reestablish the complete equality of all young men in terms of national service.

If the national service system cannot make use of all of the additional manpower resources available, defense service (presently the poor relation of national service) should be made use of to employ them (see ARMEE ET DEFENSE, March-April 1986, pp 21-23). And consideration could even be given to establishing a corps of border guards which would certainly turn out to be very useful.

C. Reforms in the Reserve System

Certainly, in this area, where a change in attitude is essential, reforms are necessary. They involve the structure and the consistency of the reserves, their training, and their status. Maintaining the present status quo would be equivalent to making the reserves disappear in a more or less short period of time. (And could a professional army do without reserves?)

1) The Consistency of the Reserves and Their Structure

Under Article L 67 of the Code of National Service, military service continues until age 35. This means that France could legally mobilize not only its citizens who have been demobilized for less than 5 years (about 450,000 men) but also those who have been demobilized for less than 10 or 15 years. So to speak, this means that France can have available 1.5 million men who, added to the 562,000 men of the active armed forces under arms, would make up an army of 2 million citizens.

Therefore, it is important for this manpower resource to be used, since, in addition to the fact that the cadres exist, a regiment coming from this source could lead to the activation of three regiments (instead of one)—the first in 24 hours, the second in 48 hours, and the third within the first 3 days of national mobilization.

Certainly, there would be a shortage of equipment, but it could be manufactured. After the necessary security checks were made, this would make it possible to give work to unemployed Frenchmen.

Of course, one broad aspect of security would be maintained in order to ensure 100 percent of the leaders for reserve units.

2) Training of Reserve Cadres

This is a problem which should be entirely reconsidered as a function of three elements: knowledge, availability, and application.

Knowledge, acquired in school and constantly subject to change, should be subject to regular, continuous checking, in order to eliminate elements affected by intellectual hardening of the arteries.

Availability of personnel should be such that each cadre should be in a position to give the armed forces the equivalent of I month of his time annually, either spread out over one or two periods of time or in terms of three Saturdays per month, with the person concerned making his choice. Each choice made should be subject to review every year. In this way the distinction would disappear between mandatory and optional training, which has not proved its effectiveness. This system would be used only for cadres holding a mobilization assignment. Every reserve cadre who, over the course of 3 consecutive years, would not meet his obligations would have his mobilization assignment taken away from him.

Application does not consist of being present to obtain points but rather to work. Hence the necessity, in the framework of a continuous check on knowledge, for frequent, written examinations in order to be sure that reserve officers and non commissioned officers have thoroughly assimilated what they have been taught.

3) Status of Reserve Cadres

Viable management of reserve cadres through a Directorate of Reserves, which is part of a Directorate General of National Service and Reserves, can only be handled within the Ministry of Defense. Military personnel assigned to "Reserve" offices in general staffs should hold such positions for at least 5 years, in order to know all of the reserve cadres whom they supervise and not only those who come to them of their own free will. We cannot be certain that they are necessarily the best.

If it is important to eliminate those personnel who are not interested in performing their obligations, on the other hand it is necessary to assure those who are aware of their duties a minimum amount of legal stability. Thus, it is proposed to organize personnel into two reserve categories:

—the first group would include cadre who have received a mobilization assignment or may receive one.

—the second group would continue other, hard working personnel. In this category those involved could still be eligible for promotion.

Finally, higher command elements would have an interest in more closely following the activities of associations which provide their members with additional military or general information and which show an interest, in their respective environment, in the different aspects of the armed forces and of national defense (The thankless labors of the leaders of associations should be better recognized that they now are.).

In this brief article it was hardly possible to go into greater detail. However, we may remember that, for those who may be concerned, the author would wish France to have:

- —larger conventional forces and three times as many reserves.
- —a national service system which is equal for everyone. —better organization, training, and management of the reserves.

Switzerland, the country of the citizen soldier, maintains a modern army to which it devotes 18 percent of its budget. France—which could reduce certain costs—should be able to make a greater effort than providing 4.5 percent of its Gross Domestic Product.

05170

SWEDEN

Paper Urges Greater Frankness on Submarine Incursions

Evidence Points to USSR

36500042a Stockholm DAGENS NYHETER in Swedish 25 Nov 87 p 2

[Editorial: "Speak Out on Submarine Alarms!"]

[Text] Evasive language has been the rule for far too long. Since 1983—the year of the Submarine Defense Commission—there have been few substantive official comments on the submarine violations. Seldom have responsible authorities kept so quiet about an important security policy issue. This is never be justifiable.

It is true that anxious speculation at high levels would probably create terrible confusion. But now we have had to live with the opposite extreme, with a lack of communication from above that could lead to a serious national credibility problem unless the government and the defense leaders reconsider soon.

The government should speak out about the submarine alarms with a certain amount of consistency. There has been no lack of opportunities to address the public.

Thus around the end of last year SVENSKA DAGBLA-DET printed a series of articles about tapes of propeller and engine sounds, damaged detection nets, the discovery of a dead body that disappeared before it could be towed in, a broken cable, shady art salesmen, long-distance truck drivers, East bloc boats that make navigational errors, etc. Opposition politicians cleared their throats, Bildt said he had objections; Bror Stefensson, who was chief of the Defense Staff at the time, talked about more or less loose speculations. But the government said nothing.

In the middle of October Commander Hans von Hofsten and other officers presented a picture of a Sweden where Warsaw Pact spies operate freely, where constant submarine violations occur without any official awareness of what is going on, where the defense system is being disarmed and preparedness has been reduced. Von Hofsten hinted that he had the support of the officer corps as well as a majority of those in the defense leadership. But the government said nothing.

Recently DAGENS NYHETER has reported western opinions that Soviet minisubs could monitor and disturb telecommunications passing through cables on the ocean floor. SVENSKA DAGBLADET reported other British articles about Soviet minisubs and said that Swedish "specialists" have two theories: either these are operations coordinated by the KGB and the Soviet military intelligence service, the GRU, or else they are conducted solely by the GRU. The British believe that each submarine carries a diver, the Swedes are said to think that a number of divers work together from one or more submarines. The government should comment on this.

Most of the allegations about the violations of Sweden agree in naming the Soviet Union as the perpetrator, something official Sweden has been saying it is impossible to determine since the intrusion in Harsfjarden in the fall of 1982. Commentator Ingmar Lindmarker described the situation a few days ago in SVENSKA DAGBLADET, referring among other things to a game of make-believe "concerning some unpleasant conclusions that are very seldom formulated in a very vague way." The government is accused of avoiding naming the Soviet Union, sometimes with the support of the military; it is said that Swedes could lose confidence in the government's determination to tell the truth, which in turn could lead to becoming accustomed to Soviet violations.

In his column Lindmarker quotes a lieutenant commander who wrote in MARIN-NYTT No 5, 1987 about the Swedish submarines' modern sonar systems which "make it possible to classify sonar effects by type and class and in certain cases also by individual." On the other hand in the book "With All Available Means," von Hofsten points out how easily echoes can be misinterpreted, how magnetic coils and sensors can give false alarms.

If the defense system has obtained as good evidence from the submarine alarms of recent years as it did in Harsfjarden in 1982, either it was wrong to name the Soviet Union then or we have become more nervous since that time; neither alternative sounds good! If the indications are just a little poorer, the government faces a difficult adjustment problem. On the other hand, if the chain of indications is considerably weaker than was the case in Harsfjarden, this really should be stated when speculations or suspicions that we are yielding to the Soviet Union come up.

Instead of analyzing and discussing the information with which the Swedish public has been bombarded, the security bureaucracy has chosen to tackle the "violations" which it is "in the interest of security" to protest in administrative order, according to Undersecretary Pierre Schori. Is it more important to criticize the Defense Research Institute [FOA] for having called in Americans who said that the Soviet Union is our only conceivable enemy?

In reality the question of what the Swedish people are to believe is more important. If the government continues to keep quiet in the face of allegations in the mass media, it is up to the opposition leaders to ask for the facts in Riksdag. "We will pursue an open and bold debate," Schori said. No one can ask for more. But we should not settle for less either, after a silence that has become increasingly painful and has undermined public confidence.

Home Guard Spotters Recruited

Stockholm DAGENS NYHETER in Swedish 26 Nov 87 p 11

[Text] (TT) Lulea—There has been an enormous response to the proposal Defense District Commander Thure Wadenholt made last year to train Home Guard men as submarine spotters. Training has already begun within the two northern defense districts [FO], FO 67 and FO 63.

"About 100 Home Guard people are being trained in FO 63, from Ranea to Skelleftea, and a somewhat smaller number in FO 67, from Ranea up to the Finnish border," said Major Esko Blanksvard of the Boden Defense District.

Officer: Government Hampered Operations Stockholm DAGENS NYHETER in Swedish 27 Nov 87 p 7

[Article by Gunnar Sorbring: "Leaks to Soviets from Leadership"]

[Text] "Too many restrictions were placed on my opportunities to stop submarines and I am convinced that there was—and still is—a leak to the Soviet Union from the defense leadership."

This statement was made by Colonel Lars Hansson, who was chief of Stockholm's coastal artillery defense with the KA-1 regiment in Vaxholm until 1985.

Lars Hansson is very critical of the fact that the defense leadership at the time—with Lennart Ljung as Supreme Commander [OB] and Bror Stefensson as defense staff chief—prevented submarine searchers from stopping the submarine they were convinced was present in the vicinity of Malsten outside Nynashamn in the fall of 1982.

On one occasion during the 1982 Harsfjarden submarine hunt, Col Lars Hansson—who was operational leader of the Coastal Artillery and Army combat forces during the submarine hunt—considered disobeying an order. It was when the force did not receive permission to activate the mines in the nets. That was a decision made by the Supreme Commander, who said that daylight and good visibility were required.

"I said then: 'Good visibility is not needed, for we have excellent nighttime scopes. We can see out over the water above the mines. We will not detonate a mine unless we are sure everything is clear on the surface.'

"But we were not given permission and on that night, 11 October, 1982, we were not allowed to use firepower. We appealed to the Defense Staff and said: 'We believe something could happen during the night. We have good visibility and request permission to use force.'

"A few hours later there was a very clear indication, a textbook example of what it looks like when a big submarine goes by. The ban on using firepower was in effect then and nothing could be done to stop it. This was outside Nynashamn at one of the mine fields around Malsten, south of Mysingen.

"I did not understand the reason for these restrictions. They took exaggerated precautions. Therefore I went and thought about how I could get around the ban," said Hansson, who was in close contact with the OB and the chief of the Defense Staff at all times.

"I presented my views all along, but they were not sympathetic," said Hansson, who described the relations between himself and the highest defense leadership as frosty.

Hansson also says that people are sticking their heads in the sand when they say we could not have any spies now:

"We had Wennerstrom in the 1960's and Bergling in the 1970's but we don't have any now?

"Between 1982 and 1985, when I was chief of Stockholm's coastal artillery defense, there were many times when I noticed that our opponents knew which moves we would make in advance. And many people felt the same way.

"The only explanation I can come up with is that one or more people between me and the Supreme Commander leaked information. There are both military and civilian personnel on the military command staff and the defense staff who have opportunities to find out things about operational developments.

"This person or persons leaked information to the Soviet Union, for reasons unknown to me. It could be a Swedish Treholt. And I do not think it just happened when I was out there," said Hansson, who is convinced that the leak still exists.

Admiral Defends ASW Rules

Stockholm DAGENS NYHETER in Swedish 27 Nov 87 p 7

[Article by Anders Ohman: "Inconceivable That Subs Were Allowed to Escape"]

[Text] "Let a submarine go? Never—it infuriates me each time that accusation is revived. But I can consider the possibility that a sub got away because of inadequate control by the operational leadership and the rest of the anti-sub force."

Vice Admiral Bror Stefensson said this to DAGENS NYHETER. He was chief of the Defense Staff at the time of the Harsfjarden incident in 1982 and an expert on the parliamentary Submarine Commission that named the Soviet Union as the violating power in 1983.

Bror Stetensson was at a field exercise in Boden on Thursday and had not read Col Lars Hansson's statements. He called the suspicion that there was a spy in the Defense Staff leadership "pretty imaginative."

"But there could have been leaks in the liaison network. One can never totally safeguard oneself against things like that," Bror Stefensson told DAGENS NYHETER [DN].

DN can confirm that military communications leaked like a sieve.

The communications of the combat leadership to the naval helicopters could be heard on simple radio sets. That is impossible today.

Bror Stefensson took a very serious view of the accusation that submarines are deliberately allowed to get away.

"Intentionally, never. But the controls are inadequate," Bror Stefensson repeated.

He said that the use of weapons in the Harsfjarden incident was a painful awakening for the operational leadership.

The situation arose after several days had gone by.

"We were faced with a very difficult problem. We lacked surface control, especially at night, so we could not risk the safety of regular civilian ships. We could not use weapons," said Bror Stefensson, speaking by telephone from Boden.

There is a ban on using firepower at night in southern Mysingen near Danziger inlet, as a safety precaution to protect civilian ocean traffic, including the Gotland ferry. There were also other military reasons for a ban on using weapons, other military sources told DN. The coastal artillery units that were in the area lacked the necessary equipment, among other things reconnaissance radar, to secure the immediate area, in other words to establish full control and identify which vessels were moving around in the area.

"The situation was disturbing. We did not know what was moving on the surface. The mine lines also gave false alarms. These heavy bottom mines were not designed for this kind of effort," said Bror Stefensson.

The Navy detonated heavy bottom mines on two occasions in southern Mysingen without results. One of the heaviest uses of weapons by the Swedish military since World War II.

The Submarine Commission closely scrutinized the socalled "firepower ban question" against the background of all the rumors that circulated.

The commission decided that there was no reliable evidence that a submarine had passed out through the mine lines in connection with the orders to withhold fire. One of the firepower bans that was the subject of lively discussion concerned the night between 13 and 14 October, 1982. Several submarine indications were registered then.

Naval experts disagree as to whether the indications that were detected then, which led to a new decision to permit the use of firepower at night after some delay in the decision-making process, can be interpreted as evidence of an exiting submarine.

Forces Commander Comments

Stockholm DAGENS NYHETER in Swedish 27 Nov 87 p 7

[Article by Anders Lundqvist: "Ljung Astonished by Spy Theory"]

[Text] "During my time as OB the government never once suggested the possibility of letting a submarine get away. And I have worked with several different governments. The same thing is true on the military side."

Former OB Lennart Ljung said that to DAGENS NYHETER in response to Col Lars Hansson's charge that "softness" on the part of the military leadership was one of the reasons why the submarine search in Harsfjarden failed in 1982.

"One must bear in mind that this involved the biggest use of weapons in peacetime. And against that background one must evaluate the necessity for the ban on the use of force during certain periods with reference to safety," said Lennart Ljung.

"After the big use of weapons that occurred, we had to impose a temporary ban on the use of firepower in order to avoid injuring Swedish personnel. There were both naval and civilian craft in the area as well as divers."

Lennart Ljung also said that some of the failure must be assigned to the fact that the mining system that was used was not suitable for submarine searches.

Lennart Ljung regarded Lars Hansson's charge that a spy had undermined the submarine search as astonishing.

"I have met Lars Hansson on a number of occasions after the Harsfjarden incident and he never said anything of the sort to me."

However Lennart Ljung assumed that Col Hansson must be very sure of himself before he made a charge like that.

"One does not cast suspicion on a particular group, in this case Defense Staff personnel, without knowing what is involved."

06578

Paper Criticizes Liberal Party Chief on Defense Budget

36500042b Stockholm DAGENS NYHETER in Swedish 25 Nov 87 p 2

[Editorial: "Unjustified Agreement"]

[Text] Toward the end of Tuesday's defense debate in Riksdag. Bengt Westerberg tried to gloss over the increasingly obvious differences of opinion between himself and the government. Westerberg said he was satisfied with the answer that Roine Carlsson gave, despite the fact that the defense minister proved very unwilling to designate more money for the purpose of remedying acute deficiencies. While the Liberal Party leader wanted to wait for the Supreme Commander's current defense report and then discuss increasing appropriations, the government seems to have decided that everything should be handled by reallocating funds within the existing budget limits.

If these divided opinions still remain when we come to the minidecision on defense that must be made in 1989, it will be hard for the Social Democrats and the Liberals to implement the defense agreement they concluded almost a year ago. It also seems probable that the Supreme Commander [OB] will have a hard time making up for what has been lost later on when the many years of neglect are brought to light. When the head of the Army says that within the current budget limits he can only come up with 15 assault brigades of an acceptable standard out of the present 26 brigades, it says a great deal about the total extent of the deficiencies. Unfortunately, the shortfall that appeared in the OB's budget, amounting to approximately 2 billion kronor, could turn out to be even greater.

Roine Carlsson should also be willing to acknowledge that it is disturbing that refresher training has been canceled for large parts of the Army; it doesn't help much that he says he has things under control. Nor is it correct to justify this, as the defense minister does, by saying that many of the units may be phased out when it is time to restructure the Army. Refresher training is still needed to provide mobilization preparedness during a presumably protracted implementation period; in addition it appears that units that one can reasonably expect to be retained, for example those in northern Norrland, have also been hit.

Bengt Westerberg could effectively counter criticism from Carl Buldt and Gunnar Bjork by saying that the situation would hardly be improved if the Conservatives or the Center Party won approval for their proposals for higher appropriations, as they had earmarked these funds for new initiatives. But as a contributor to the defense decision, Westerberg also has a greater responsibility for remedying the emergency situation that has arisen; that he realizes this is apparent from the letter the Liberal Party leader sent to Ingvar Carlsson at the end of October.

The letter has now received its meager response from the defense minister. After that Westerberg can hardly say that he is satisfied once again. If the defense agreement is to survive the next few years, the government must preserve its accord with the Liberal Party.

06578/7310

Armed Forces Commander Concerned About Computer Security

36500045c Stockholm SVENSKA DAGBLADET in Swedish 10 Nov 87 p 7

[Article by Bjorn Suneson: "Security Issues Unresolved": Supreme Commander of the Armed Forces Halts Computer Purchasing"]

[Text] Norsk Data and Unisys run the risk of losing computer deliveries to the armed services of at least 100 million kronor. The reason for this is that the military considers security issues as not yet resolved.

The Supreme Commander of the Armed Forces (OB) has therefore ordered a total halt to all new computer purchases by the armed forces.

No new equipment before we are entirely certain no unauthorized persons can get into the system, in the OB's reasoning.

"However, thus far there has been no unauthorized interference. But before we buy more equipment, we have to know that it's completely secure," said Hans G. Wessberg, chief information officer for the Armed Forces Staff.

Used Locally

Between 1984 and the end of 1986, the Armed Forces, assisted by the National Office for Administrative Rationalization and Economy, purchased about 200 data systems worth approximately 100 million kronor. Involved were base computers, so-called small multiuse systems for "System 90."

The computers are used primarily in local units. By decentralizing its computer use, the armed forces hope to reduce the risks of interference. The computers will store secret military information but also serve as regular word processors.

Their Own Security System

Recently computer purchases from the last few years were evaluated. At that time the military discovered that the systems were not entirely secure. For this reason the armed forces will develop their own security system with tighter controls over, for example, authorizations, pass words, etc.

The national Office for Administrative Rationalization and Economy has signed so-called specifications agreements with Norsk Data and Unisys. The Armed Forces do not intend to back out on these deliveries, but there will be no orders before secrecy is guaranteed, the Office stated recently. In formal terms, FMV, the Defense Materiel Administration, will do the purchasing.

"We're not afraid of losing this important order. We'll be able to offer secure solutions," said Dag Osterman, the Unisys chief of sales.

12789/7310

Armed Forces Commander Sees Better Prospects for Neutrality

36500045d Stockholm SVENSKA DAGBLADET in Swedish 10 Nov 87 p 8

[Article by Roger Magnergard: "Supreme Commander of the Armed Forces Sees Sweden's Neutrality Strengthened"]

[Text] Sweden's prospects of being neutral if there is war in Europe have increased, in the view of Bengt Gustafsson, the Supreme Commander of the Armed Forces (OB).

The OB based his statement on the fact that Scandinavia has acquired a much greater strategic significance.

"Quite simply, neither of the super powers can accept the notion of the other having access to Swedish air space and Swedish bases," Gustafsson said. "That would alter the strategic position too greatly."

But so the super powers will not be tempted to seize the opportunity to occupy the country quickly, Sweden must be able to maintain its air space and defend its territory for a long time. The Swedish armed forces calculate that the enemy which could contemplate attacking us cannot tie up its forces for too long a time and on a very large scale.

More Than Sweden

"In fact, it's never an issue for a super power to take just Sweden," the OB explained. "Unless it's just a question of taking Sweden while at the same time standing guard against the other bloc."

Within the armed forces, intensive work is presently underway on the Armed Forces' 1988 strength report. The OB's opinion of it is important for this planning, which will be presented to the government in the fall and become a Riksdag bill in the spring of 1989.

The work was directed by Major General Owe Wiktorin and the proposals which have come forth so far will give rise to a good deal of discussion.

Some of the points are the following:

Increased protection and strengthening of the Air Force.

Units which are ready throughout the year to face up to landing operations.

More local responsibility with military chiefs—a greater decentralization.

'ncreased responsibility for commanding generals, operations management, the Chief of Deferse Staff, and the Commander-in-Chief—at the expense of the Chiefs of Staff of service branches.

Reorganizations within the officers' corps. "Desk officers" will be moved to units where they will be of more use.

Doing away with two defense districts, probably military district west and military district Bergslagen.

Changes in personnel structure. Officers will stay longer at each post but in return will be given the opportunity to advance in their career based on practical knowledge rather than schooling, as is the case today.

"We will become more efficient and simplify peacetime leadership," the OB said.

Unworkable

At the same time he said he was aware that some of the proposals quite simply cannot be implemented, since they conflict with other, more important, points.

"But this is rushing things. So we're working broadly, collecting material, and we'll sort later."

According to the OB, the Air Force is particularly important. With the JAS, the Swedish armed forces will definitely be strengthened since the airplane can be used as both a pursuit and an attack plane. According to Gustafsson, "everything points towards 15-20 JAS divisions." This is a strengthening when compared with the 11 current divisions.

In the navy as well, the trend has gone against vessels capable of carrying out several missions simultaneously—for example, coastal corvettes which were originally designed to provide greater protection against an invasion but which are now also used to search for submarines.

Balance and Quality

"In the army and the coast artillery, the trend is in the same direction. We must proceed by trial and error so we achieve that balance and quality suited to Swedish defense."

The OB has drawn up four points on which he wants to improve the armed forces.

Basic organization—which should be the same as after a mobilization. Unit chiefs and commanding general should have a mission to carry out, how they then do this is up to them.

This means that initially things will be run by the operational side, the OB and commanding general. Commanders-in-Chief of branches will still be there, but will concentrate on developing and bringing forward new material, tactics, and combat technology.

The local objective will be put more in the center at the same time the armed forces begin being of use to large-scale production.

"An example of this would be the 20-30 men who currently assess and follow up on the efficiency of our major kitchens. One staff member might be enough, he would alert us if we had to hire the necessary manpower if something goes wrong or we suddenly have to prepare food for more people."

Hot Policy Issue

To obtain a better balance with operational battle management, the OB wants to eliminate two military commands. This could be a hot policy issue and the consequence of it would be that staffs are discontinued and regiments will eventually disappear.

"What is relevant for policy is no point of departure for my statements," the OB said. "If we want to have low defense costs, we have to organize ourselves efficiently."

Today's career officers are much too fixated on going to school in order to pursue their careers rapidly. The OB wants to counteract this by making promotions possible on the basis of practical merits.

Furthermore, the armed forces must achieve a balance between their missions and resources.

"At present our organization is too large in relation to the economy. Quantity is significant in crises, but we have to ask ourselves which missions we'll tackle."

12789/7310

Army Chief Issues Favorable Report on Women Soldiers

36500030f Stockholm DAGENS NYHETER in Swedish 8 Nov 87 p 8

[Article by Mats Carlbom]

[Text] Women make excellent soldiers—except in the toughest branches of service, where the attitudes of the male NCO's frighten the girls away.

That is how one can summarize the Army commander in chief's report to the OB [supreme commander of the Armed Forces] now that the Army has been allowing women to undergo military basic training for 3 years.

The government decided in 1982 that the Army would open up the military profession to women in the signal and maintenance and supply units. The Army commander in chief decided to admit women to antiaircraft units, the artillery, and the engineer units as well on a trial basis.

Since 1983, 200 women have begun military basic training. About 80 of them have stuck it out.

In a report submitted to the OB last Friday, Army Commander in Chief Erik Bengtsson summed up the experience. Here are his conclusions:

1. Female NCO's function just as well as males in antiaircraft defense, signal, and maintenance and supply units.

2. The artillery and the engineer units are not suitable for women.

"They are considerably more demanding physically, and women felt that the attitude of the NCO's was tough and unfair," says Colonel Henning Jansson of the Army Staff.

Of the 25 women who joined the tougher branches of service, only one has become a reserve officer. In the other branches of service, 18 have been made active second lieutenants, and 2 have become reserve officers. The basic attitude of male NCO's toward those women is favorable without exception, and they feel that female officers are here to stay, writes the Army commander in chief. Those women are considered to have the same average future prospects as their male colleagues.

There is a suspicion, however, that the negative experiences in the artillery and the engineer units may be due to the people in the units who were chosen as instructors.

"It is possible that the male NCO's in those units were opposed to letting in women and that they therefore placed excessive demands on them. As a result, we have not yet decided what we will do. Either we will try again in a few other units of those branches of service or we will exclude women from them entirely," says Henning Jansson.

In his report to the OB, the Army commander in chief says that the military profession should continue to be open to women in the future.

But in view of the negative experiences in certain branches of service, he does not want to allow girls in any additional branches of service.

11798

Army Commander Considering Limiting Women's Service Choices

36500045a Stockholm SVENSKA DAGBLADET in Swedish 9 Nov 87 p 6

[Article by Bjorn Hygstedt and Maria Holm: "Army Commander Wants To Bar Women From Some Branches of Service"]

[Text] Erik Bengtsson, the Commander of the Army, is considering putting an end to having women in engineers units and the artillery. Nor does he want to open up those branches of military service which have thus far been closed to them—infantry, tank units and the cavalry.

Women employed in the military are just as capable as men, and the army should remain open to women in the future as well. But in some service branches, primarily artillery and engineers units, results from basic training are so poor that it is unclear whether the experiment will continue, the army commander has written in a report to the Supreme Commander of the Armed Forces.

Since military basic training was opened up to women in 1983, 200 have begun but only 80 have completed it.

But the drop-out rate is spread very unevenly among service branches.

Popular Signalmen

"The signal units are by far the most popular. They get the most applications and also have the lowest drop-out rate. S1 in Enkoping tops the list with six female 2nd lieutenants," said Synnove Svartvadet of the Army Staff's production management, which did the survey.

There were poor marks for engineering units and the artillery. Twenty-five women started, only one has been appointed.

"Women have felt that male attitudes and assessments were harsh and unjust. The commander of the army is now considering whether the experiment will continue in other units or whether these service branches will be closed to women until further notice," said Synnove Syartvadet.

And as a result of this poor showing, the infantry, tank units and the cavalry, which have never been open to women, will remain to them in the future as well, according to the army commander's report.

"One important task is passing all those women who drop out from their basic training on to some volunteer defense organization. As things currently stand, they just disappear out into the periphery or use their basic training to get into civilian training programs such as the police college," said Synnove Svartvadet.

However, in the navy as well as the air force, experiences are more positive. Sven Carlsson, section chief of the navy staff's personnel administration section, commented as follows:

"Of the approximately 40 women who have received training or are being trained, only one has dropped out. So our experiences are very good."

Navy leadership nevertheless has no plans to open up closed training lines in the coast artillery and the navy. This decision applies to commando and submarine training respectively, which have a certain connection with diving duty. Since, according to studies, prolonged diving can be linked to the risk of possible fetus injuries, the navy has decided not to admit women to these training programs.

Air Force Positive

In the air force as well, developments are positive. Lieutenant Colonel Claes Thor of the Air Staff's personnel planning detail observed:

"We were the first to have women in training. Since the early 80's we have been training female personnel in our combat information organization and air defense warning service, for example, and with very fine results. We have recorded very few drop-outs."

The assessments from the various military service branches are now lying on the desk of the Supreme Commander of the Armed Forces.

12789/7310

TURKEY

Commentary Reviews Defense Options 35540028 Istanbul HURRIYET in Turkish 9 Nov 87 p 11

[Article by Coshkun Kirca]

[Text] The real issue between Turkey and America in defense matters is not whether turkey will be defended or not, or even where the line of defense will be drawn. That is a non-issue, and has been since Turkey joined NATO back in 1952. Turkey will be defended right at its borders. That is what Turkey's national interest demands, so does the national interest of America. And of our allies... If the huge military superiority of the Soviet Union and its ally Bulgaria right next to us, is capable of bringing the Warsaw Pact forces down to the Taurus ranges there is no reason why they should not be able to reach the Mediterranean. And that would be the end of Western Europe as we know it and the finlandization of America. Those who have participated in the planning and operations meeting of NATO's military wing know that America and our major allies are well cognisant of these facts.

The Who and Where of Defense

The issue between Turkey and America is not about the mode of deployment of the Turkish armed forces (TAF). Within the framework of joint NATO planning there is not a single provision requiring TAF to defend any place other than Turkish territory. In order for TAF to shoulder any obligation outside the national boundaries, approval of the Turkish Government would be needed. And it is inconceivable that any Turkish Government should assent to that. In the joint NATO plans there is simply a provision allowing some allied reinforcements to come to the aid of Turkey, and that is about all.

The Type of Armaments

The issue between Turkey and America in defense matters is about the kind of arms to be used in the defense of Turkish territory. On the face of it such an issue does not exist. It cannot exist in any case because there happens to be a consensus between Turkey, America and the other allies regarding the modernization of the conventional arms and equipment of TAF. Though America, on the official plane at least, supports the idea of reinforcing the tactical nuclear force on Turkish soil, that does not lessen its commitment to the conventional modernization of TAF (a commitment, hopefully, as strong as Turkey's). The actual practice, however, is not in keeping with official declarations.

Aid Inadequate

First of all, American annual aid targeting the conventional modernization of TAF is hardly adequate. At the present rate the task at hand might not be completed in 20 years. America gives more aid to Israel and Egypt than Turkey, despite the fact that it is Turkey which isolates these countries from the northern menace. Furthermore, the interest accruing to the aid nearly equals the amount of annual aid.

Though Turkey is trying hard to establish its defense industry, so as to end its dependency on outside sources, necessary components will have to be imported for a long time to come.

America's Intentions

All these instances give rise to the question whether America truly desires the conventional modernization of TAF. The argument that the American administration genuinely wants it but is unable to convince the Congress is not very convincing. The Administration convinces the Congress whenever issues concerning Israel, Egypt or Pakistan come up but is unable to do anything when the matter involves Turkey. It is hard to believe that. Admittedly, there are anti-Turkish lobbying groups in the Congress. And it is quite possible that Turkey has not acted swiftly enough in activating the Jewish lobby against the Greek and Armenian lobbies. But it should be borne in mind that the majority of Congress is made up of "American" Americans. The American administration, if it wants to, may convince them without too much difficulty.

Yet, whatever the cause, the Administration is not able to convince the Congress. And, all the while, it talks about the need for more tactical nuclear weapons on Turkish soil raising the inevitable question whether America thinks Turkey's defense should be based on tactical nuclear weapons.

Conventional versus Tactical Nuclear Weapons

The answer to that question would probably be in the affirmative. America does support such an idea. And here is why we tend to think that way:

Given its terrain, settlement patterns, density of infrastructure Turkey happens to be a most suitable candidate for tactical nuclear defense—second only to Canada's north. Non-pollutant weapons like the neutron bomb which leave physical installations intact can be properly used in this kind of terrain. Furthermore, and for America this is an important consideration, such weapons come cheaper than the conventional modernization of TAF. This way, Turkish territory can be successfully defended without recourse to the U.S. strategic nuclear forces preventing the Soviets from reaching the shores of the Mediterranean.

Moreover, the Soviets' preoccupation with internal reform may have lifted the urgency of TAF's conventional modernization, so far as the Americans are concerned. This may well mean that the modernization of TAF may not be completed until such time that all requirements are met by the Turkish defense industry.

The Greek Factor

There is yet another reason why America should view things in this manner. And that has to do with the interminable tension between Turkey and Greece. We do not think America seriously believes that turkey harbors aggressive intentions towards Greece. But America has to consider the possibility of an armed clash unexpectedly erupting between its two allies. In such an instance America might not be in a position to exercise any preference. Thus, from an American point of view it may be desirable to keep TAF at levels not quite capable of defeating Greece, while at the same time sustaining the Greek armed forces at levels sufficient to avoid defeat at the hands of Turkey. That is the rationale of the famed 7/10 ratio. Though the American administration maintains it opposes the ratio, that hardly rings true. It is more likely that there is a collusion between the Administration and the Congress over this issue.

The Gulf Factor

Furthermore, America may want to see Turkey take part in defense arrangements concerning the Persian Gulf. And it may well try to establish linkage between this issue and the conventional modernization of TAF.

The Turkish Viewpoint

Turkey's reaction to all this is the following: Turkey argues that any attack coming from the north would initially have to be stopped, to the extent possible, by means of conventional weapons and units, in line with the NATO strategy of flexible response. It should be pointed out that whereas deployment of conventional weapons would be under the sole authority of the Turks

themselves, deployment of tactical nuclear weapons would be subject to joint approval by Turkey and America. Like any other country Turkey would naturally prefer to exercise autonomy in determining which weapons to use in its own defense. Therefore, Turkey is reluctant to accept any tactical nuclear weapons on its soil other than the ones already present. In Turkey's view, though, there may be room for giving consideration to the acceptance of tactical nuclear weapons but only after the modernization of its conventional forces is fully accomplished, if called for by the requirements of the flexible response strategy, and after a review of the particular circumstances. But, at the present time, it does not constitute a priority.

Turkey also believes it is trying every avenue for relieving the disputes with Greece. But it cannot bring about a resolution—given that Greece adamantly refused to engage in any negotiations.

As to the Gulf, there are no negotiations between America and Turkey regarding the latter's military role in that area. And even if there were, the outcome of the negotiations, like all negotiations, would depend on hardheaded considerations of costs and benefits involved for Turkey.

Forecasts and Assessments

Thus, we can expect to see neither America nor Turkey convince each other as to the proper weapon to be deployed in Turkey. That is partly due to the fact that a Warsaw Pact aggression does not seem to be on the horizon, their great military superiority notwithstanding. The Western Alliance possesses sufficient deterrent power to ensure that. In the present circumstances, that deterrent power is largely based upon U.S. tactical nuclear weapons that are to be used if need be. And, so long as the conventional forces maintain their huge superiority it is likely to remain the case.

Western European Union and Turkey

In our article today we tried to explain the basic issue between Turkey and America in defense matters. Lately, Western European Union (WEU) has been presented as an alternative to our defense relationship with America. Questions have been posed whether Turkey should join WEU, what would the advantages be, could it join and so on.

WEU was formed in 1948, one year before the signing of NATO treaty. In 1955, it was enlarged to allow West Germany join NATO. Present members are Britain, France, West Germany, Italy, Belgium, Netherlands, and Luxembourg. Its headquarters is in London. It is mostly concerned with standardization of weapons, joint defense production issues and the like. In 1955 it assumed the function of monitoring the restrictions placed upon West German rearmament. That was, in

fact, a precondition of West German entry into NATO. Now those restrictions are either lifted, and if not, have lost much of their significance.

The thing about WEU was that the alliance obligation was automatic. In other words, if one member state came under attack the others were to offer military aid. The NATO text also contains a clause obliging member states to help the one under aggression. But whether this help would take on a military character is left to the judgement of each member. That is still the case.

Those arguing for our entry into WEU point to this aspect of the Brussels [NATO] Agreement. Yet, the important thing is not simply whether the alliance obligation is automatic or not but whether member states do truly have the capacity and the will to help each other. The truth of the matter is that the WEU member states do not have the capacity to offer military help to the NATO countries outside WEU. And rapid deployment forces, to which some WEU countries make low level contributions, are organized under NATO's military wing. All this means that Turkey can realistically expect significant military help in case of war, or deterrence in normal times, only from America. Thus, from this angle, Turkey stands to gain next to nothing by joining WEU.

Yet, it would be a good thing for Turkey to join WEU. Western European NATO countries are interested in strengthening this organization as a means of dialogue with America in the conduct of their joint defense planning. Such a development may well end up giving

more prominence to the Central European front. The presence of American troops in West Germany underscores that prominence in any case. In every alliance there are always disagreements concerning the sharing of defense resources. The strengthening of WEU may end up increasing the resources of NATO allies in Central Europe. And the enterprise may find support from America since it might mean the return, through the back door, of France into NATO's military wing. It would be better for turkey to be closely involved with these developments than remain outside.

But WEU is not considering applications from other NATO countries. Any new member would be by invitation only, and there is no such inclination at present. And if the words of its chairman, the Dutch foreign minister, are any indication, WEU does not seem inclined at all to get involved in the disputes between Turkey and Greece.

It thus seems that in the foreseeable future neither Turkey nor Greece would be able to join WEU. But there is no need to worry: It is true that when the European Economic Community admitted Greece to full membership it was able to point to the difference with Turkey regarding the level of economic development. But in the defense field there could be no such pretext. For WEU to admit Greece and not Turkey would mean a serious crisis within NATO, and there are enough WEU members possessing common sense and who are friends of Turkey to avert such a development.

12466/9604

ICELAND

Employers' Organization, Newspaper, Bank Chief on Outlook

Employers Pessimistic

36260007 Reykjavík MORGUNBLADID in Icelandic 19 Nov 87 p 41

[Article: "Two Percent Worsening in Terms of Trade"]

[Text] The Icelandic Association of Employers has issued a draft of national economic projections for the year 1988, and the draft was made known to the mass media at a press conference yesterday. The draft is given below in its entirety.

During recent weeks new circumstances and expectations have emerged in the Icelandic economy. For this reason is was the view of the Icelandic Association of Employers that there is the need to review prospects for the evolution of the most important aspects of economic activities, to gain a clearer idea of prospects for the coming year.

Economist Olafur Davidsson was in charge of drawing up of the views which follow, and which were presented for detailed discussion at a meeting of executive committee of the Icelandic Association of Employers Tuesday afternoon.

Export Achievement

Decisions on maximum catches of individual kinds of fish for the year 1988 are still not available. The Oceanic Research Institute has indicated that the cod catch next vear will be 300,000 tons and individuals in fisheries seem to be in agreement about the need to reduce the cod catch next year. We assume a catch of 345,000 tons next year compared with an estimated 390,000 tons this year. The projection assumes somewhat of an increase in the catch of haddock and redfish, but assumes that catches of other kinds of fish will remain unchanged, but with a rather smaller capelin catch. This will involved a total 6 percent decline in fisheries products production. The Economic Projects for the National Economy in 1988, however, assumes unchanged fisheries product production compared to this year. Otherwise, assumption on export production are the same as in the National Economic Projections.

The results are that exports of goods will fall by around 4 percent. The National Economic Projections foresee an increase of approximately 0.5 percent.

Terms of Trade

The National Economic Projections make a provision for unchanged terms of trade in 1988. The fall in the value of the dollar against European currencies that has taken place recently has thus worsened the terms of

traded for Iceland. In the view of Sales Association for the Fisheries Industry, we cannot expect an increase in product value on the American market, and it should, in fact, be considered good if present values continue. On the other hand, a certain increase could be achieved in the Soviet Union. Values in Great Britain may increase in the near future, but the increase will be temporary and values may fall later. The value of eel has now fallen after a great increase this year.

In terms of the present exchange rate of the dollar, the terms of trade could be 2-3 percent worse next year than this year. No guesses are made here about developments in exchange on international markets, but the estimate assumes a 2 percent worsening in the terms of trade in 1988.

National Expenditures

Individual consumption is the most weighty component of national expenditures, and it is controlled first and foremost by the development of purchasing power. Indications of wage changes this year which have been taken up in the projection, make clear that the purchasing power of wages around the beginning of next year will be slightly less than or similar to the average for the year 1987. Numerical values, however, are incertain here. However, the purchasing power of fixed wages will be considerably less. There are now indications that the cost of living index will increase by 10 percent from what it was on 1 September (written in red in the agreements) by the beginning of the year.

We have based our projection here upon the assumption that the aforementioned increase in purchasing power will take place at the beginning of the year, and have made provision for a 1 percent increase in individual consumption next year, that is, equal to the population increase. However, many factors are at work here.

Efforts were made in the wage agreements to improve the decline of purchasing power of set wages during the last months of the year, and also "to improve things for those who have not enjoyed regular wage increases." If this is successful, purchasing power next year—all other things remaining unchanged—will be more than is allowed for here. Against this, it is clear that inflation will continue to increase greatly, something which will inevitably ruin purchasing power. This is in addition to the fact that a decline in export income tends to result in decreased purchasing power if one looks into the matter closely. External conditions thus indicate that purchasing power may decrease. But even if this is the case, it is uncertain that this will immediately result in falling individual consumption.

The suppositions on collective consumption are the same here as in the National Economic Projections, i.e. a 2 percent increase. The same is true for the financial picture. The National Economic Projections make provisions for a 1 percent increase in financing for exports,

for a 7 percent increase in housing construction and for a 2 percent decrease in public achievements. This will mean a total increase of 1.5 percent in financing. There is no reason at this time to change this projection in major areas, but this projection foresees a much greater increase, or 2.5 percent, in other words, that the increase in investment will subside more slowly than is predicted in the National Economic Projections.

The result is that national expenditures will increase by around 1.5 percent next year.

Foreign Trade

As has been stated, it is assumed that exports of goods will decrease by around 4 percent next year.

In terms of the 1.5 percent increase in national expenditures, and the price and exchange rate assumptions of the National Economic Projections, (18 percent inflation between the years 1987 and 1988 and firm exchange rates), imports of goods will increase by at least 5 percent.

This, together with the 2 percent decline in the terms of trade, will mean that trade in goods will move from a 1,400 million kronur surplus in 1987 to a nearly 4,700 million kronur deficit in 1988. In fact, it is now likely that the trade deficit in 1987 will be more unfavorable than previously estimated, and the deficit next year would then be much more than is foreseen here.

The surplus in services trade, not including interest, is estimated at 2.000 million kronur this year, but it will decrease next year when expenditures will grow more than income when the exchange rate is kept fixed. The surplus could be around 1,500 million kronur next year.

Interest payments abroad (net) will amount to 5,800 million kronur this year, and the National Economic Projections foresee a figure of 6,300 million kronur next year. This amount could be somewhat lower on account of decreases in the exchange rate of the dollar and decreases in interest, perhaps down to 6,000 kronur.

Accordingly, the trade deficit next year will be 9.2 billion kronur. There is provision for only a 4.4 billion kronur trade deficit in the National Economic Projections. The trade deficit will then be nearly 4 percent of national production compared to 1.2 percent this year (it will most likely be more). This trade deficit is similar to the average for the years 1981 to 1986, when the foreign debt of the national economy increased sharply.

National Production, National Income

The outcome of the aforementioned assumptions is that national production will decrease by around 1 percent next year, and national income by around 2 percent due to worsening terms of trade.

Conclusions

The draft for a national economic projection for the year 1988, set forth here, is based upon three major assumptions:

- 1. The cod catch will be 345,000 tons.
- 2. The terms of trade will worsen by 2 percent.
- 3. Purchasing power of wages will be similar in 1988 to what they were at the end of 1987. The purchasing power of set wages may be less.

All of these assumptions are extremely uncertain, and neither decisions, nor catch sizes nor the likely outcome of wage agreements are available to us.

It is nonetheless clear that the economic conditions are now quite different than was assumed for the National Economic Projection, and when the government's economic policy for next year was established. It may also be mentioned that it is generally foreseen that there will be smaller increases in interest rates in the world next year than was foreseen previously, due to the collapse of stock values.

The most important thing is that the tendency is now for a far greater Icelandic foreign trade deficit than was assumed hitherto. The government authorities should thus review government economic policy in the light of changed expectations. Such revised expectations should be used as a basis in the wage agreements for next year.

Above we have presented the draft of an econornic projection for the year 1988 in terms of the assumptions upon which it is based. We have only discussed the export achievement, the terms of trade, national expenditures, the balance of trade, national production and national income here. We have not discussed inflation here and the competency of the occupations. Such things must be discussed in connection with other things, for example, in connection with government economic policy, which will shortly be under consideration.

MORGUNBLADID Comments on Problems 36260007 Reykjavik MORGUNBLADID in Icelandic 20 Nov 87 p 28

[Editorial: "Changed Economic Assumptions"]

[Text] In spite of catch limitations, the total catch of the Icelandic fishing fleet has grown by 45 percent during the last 3 years. The catch grew in fixed value by 14 percent in 1985, by 17.5 percent in 1986, and there will likely be a 8 percent increase in 1987. Fisheries products production grew by 28 percent during this period.

The export value of fisheries products increased corresponding to the catch increases. The value of frozen fish has increased by 55 percent in U.S. dollars since the year 1984. The value of salt fish has increased still more, or by 90 percent.

National production for the last 2 years has increased at a rate of 5.5 percent per year, and national income somewhat more, or by 7 percent, due to favorable terms of trade. Per capita purchasing power of wage earners has increased 35-40 percent since 1985. The trend is toward a 16 percent increase in the purchasing power of wage earners during the current year. During the last 2 years purchasing power has increased more than ever before in any comparable period since the end of World War II.

The figures mentioned above, which are contained in a speech given by Thordar Fridjonsson, chief of the Icelandic Economics Institute, to the fisheries congress, clearly show that it has been smooth sailing in recent years. This smooth sailing was above all in terms of favorable economic conditions in fisheries, increased catches by fisheries, and in terms of the increasing export of fisheries products.

In the present year, which will soon be over, most economic preconditions in the Icelandic national economy have changed greatly for the worse. There are strong possibilities that this coming year could be a difficult one for us, in this respect, in many ways, especially in fisheries. For this reason the Association of Icelandic Employers has produced a draft of a national economic projection. Economist Olafur Davidsson took charge of drawing up of the draft. Effort is made in the draft to foresee future developments, and set forth there are examples for the year 1988, as the situation appears from the point of view of the Association of Icelandic Employers.

Three economic magnitudes are especially conspicuous in the view of the Association of Icelandic Employers economic projection, compared to earlier projections:

A 6 percent reduction in fisheries products production. The projection assumes a 345,000 ton cod catch in 1988 in place of the 390,000 ton catch in 1987, in view of the proposals of fisheries specialists;

A 4 percent reduction in exports of goods because of the reductions in fisheries;

Terms of trade 2-3 percent worse, in terms of the current exchange rate for the U.S. dollar.

No decisions have been made about maximum catches of individual kinds of fish. The Icelandic Ocean Research Institute has, on the other hand, proposed that there be a considerable reduction in the catching of cod. The proposals of the institute involve a 10-12 percent

reduction in the catch of fisheries products. It is considered likely that a path will be trod between fisheries fact, as announced by fisheries experts, and economic and employment points of view, as supported by interested parties. In view of the likely reduction in the catch in 1988, the likely position of the dollar, and the Icelandic policy of a set exchange rate, the operating competencies of fisheries companies, constituting the foundation livelihood for the Icelandic national economy, should weaken next year. Projected domestic cost increases because of inflation will not help the matter. Wage agreements are next on the agenda.

Individuals in the labor market, associations of wage earners and of employers, not forgetting the government, have a difficult task before them: to achieve a national agreement which takes into account economic facts in the national economy, keeps inflation under control and maintains a balance and firmness in economic life. If inflation breaks its bounds, and the flood of debt increase puts us into the same "pillory" as in the spring of 1983, our ride in the boat of the economy will be a short one. It will be good for no one, least of all for those worse off in the economy, if the purchasing power of the Icelandic kronur tumbles down to nothingness, and acquires the microscopic value that it had—before a hundred "floating kronur" were combined into one new krona. The path to such depths can be a short one, if the Icelandic people do not take care.

Lower Growth Predicted

36260007 MORGUNBLADID in Icelandic 26 Nov 87 p B 5

[Excerpts] All the prospects are that the external conditions for the Icelandic national economy, and the terms of trade with foreign countries will be much worse than foreseen in the National Economic Projections and in the draft budget, as is stated in the news release of the stock exchange of the Cooperative Bank.

It is noted in the news release that before the stock market collapses of the industrial countries last month, we had been anticipating somewhat slower economic growth next year or around 2.5 percent according to OECD and International Monetary Fund projections.

"Although this will in some ways mean the same rate of economic growth in 1987 as in 1986, the public has growing concerns about the future, and this rate of economic growth is small in historical terms and will be less in the next 2 years than in the past. During the year 1984 economic growth was 5 percent, and 3 percent in 1985.

"Following the stock market collapse, it is clear that such projections for world economic growth next year are altogether too optimistic. Much is involved here. First of all, the stock market collapse means a decrease in individual wealth, which can lead to reduced consumption. Secondly, it will be more expensive for companies to obtain new capital, which will reduce their investment plans. Finally, general public confidence has been reduced permanently."

It is stated in the news release that the initial projections of the experts made provisions for a considerably lower rate of suppose growth. A projection was made, for example, by the well-known financial company Goldman Sachs, foreseeing economic growth lower by half compared to previous projections in the five largest industrial countries for next year. In spite of the fact that such projections are, to be sure, first and foremost, conjectures at this time, they provide a definite reason for serious concerns about future prospects.

The news release discusses the influence of the stock market collapse on economic development in Iceland, and the release says, among other things: "A slower rate of economic growth in the world most likely will lead to a worsening of the terms of trade of the Icelandic national economy. When total worth decreases, it may be anticipated that the demand for Icelandic goods will be reduced abroad, and there could be a reduction in travel services to foreign travelers.

"In terms of foreign economic developments, the Icelandic national economy could be in a more unfavorable position than this consideration would indicate. The situation is that we must take into consideration the slowdown in the economic situation in the United States, and that the dollar will continue to fall on account of the large foreign trade deficit of the United States. As is known, the fall in the value of the dollar means a worsening of the terms of trade there, since exports to the United States are more than exports from the United States. In other words, the fall in the value of the dollar means reduced purchasing power for export income.

"There is a discussion in the periodical MORGAN GUARANTY TRUST COMPANY, WORLD FINAN-CIAL MARKETS, September/October 1987 of the prospective evolution of the exchange value of the dollar against the Japanese yen, and the German mark. Provisions are made in the discussion for a considerable weakening of the value of the dollar next year."

It is stated in the news release that these two things—on the one hand, slower economic growth in the world, and on the other, the decline in the value of the dollar—will mean a worsening of the terms of trade of the Icelandic national economy. No provision is made in the National Economic Projection and in the draft budget for 1988, which were based upon no growth in national production and national income next year, for a worsening of the external conditions for the national economy. Thereby, a contraction in the Icelandic economy for next year seems to be indicated.

Bank Chief Issues Warning

36260007 Reykjavik MORGUNBLADID in Icelandic 26 Nov 87 p 76

[Text] Bank interest rates have risen generally these past months, and inflation is the primary reason for the increase, something confirmed by Jonas H. Haralz, bank director of the Icelandic National Bank.

For example, interest on pass book deposits at the National Bank increased on 1 November from 19 to 22 percent. At the Commercial Bank the increase was from 17 percent to 20.5 percent, at the Cooperative Bank from 16 percent to 19 percent, at the People's Bank from 17 to 20 percent, and for savings funds from 17 to 21.5 percent.

Overdraft charges for checking accounts at the Cooperative Bank increased on 1 November from 32 to 35 percent, at the People's Bank from 32 to 25 percent, and for the savings funds from 31.5 to 35 percent. Discounts for public exchanges of the National Bank increased from 30 to 33 percent on 1 November, at the Commercial Bank from 30 to 33 percent, at the People's Bank from 30 to 33 percent, at the People's Bank from 30 to 33 percent, and for the savings funds from 29.5 to 33 percent. Interest on public notes of the National Bank increased on 1 November from 31 percent to 35 percent, at the Agricultural Bank from 33 to 36 percent, at the Commercial, Cooperative and People's Bank and for the savings funds from 31 percent to 35 percent.

09857/06662

TURKEY

Jurist Urges Caution in Privatization 35540036a Istanbul MILLIYET in Turkish 19 Nov 87 p 11

["Thoughts of Thinkers" column article by Supreme Court of Appeals Justice Turgut Gucuk: "The Sale of Some SEEs Must be Abandoned"]

[Text] Who is Turgut Gucuk?

Turgut Gucuk was born in Malatya in 1925. He graduated from the School of Law of Ankara University in 1948. He served as a judge at various locations. In 1980, when he was a judge on the Istanbul Trade Court, he was named to the Supreme Court of Appeals. He is currently a member of the 11th Legal (Trade) Department of the Supreme Court of Appeals.

Privatization has become a topic of continuing public debate since two large public corporations, Sumerbank and PETKIM [Petrochemical Corporation], were turned over to the Public Housing and Public Partnership Fund Administration for privatization after Law No. 3291 on the Privatization of SEEs [State Economic Enterprises] went into effect. The privatization of the SEEs, which

includes "social responsibility" as a natural part of its structure, is a phenomenon with economic as well as social, political and legal ramifications.

Established in the first years of the Republic, the SEEs scored major successes in expanding industrial production in those years. In time, these corporations began losing money because of their failure to implement modern management techniques—primarily for political reasons—which eventually led to the conditions with which we are all familiar.

Measures Needed

When opening the ownership of the SEEs to the public, the private sector and foreign capital, it is first necessary to assess the consequences of the withdrawal of state support for these corporations and to take the necessary measures. In implementing the privatization program, the following near-term measures must be taken after good research and after weighing the reasons the private sector and family-owned corporations would buy SEEs and the question of whether foreign capital would be interested in SEEs:

- —Privatization must proceed gradually, rather than precipitously. In addition to advertisements and public relations campaigns to promote privatization, information about the SEEs must be extensively published to enable savers to invest their money more productively.
- —Given that under present conditions private enterprises do not have sufficient capital to buy the SEEs, a well-developed, strong and efficient stock and securities market must be established for a sound privatization program.
- —Investors who become partners in SEEs by buying shares will also want to have say in management. Consequently, the state's share in privatized SEEs must remain below 51 percent.
- —According to Article 14(a) of Law No. 3291, the SEEs to be privatized have to be converted into joint stock partnerships which are exempt from the requirements of the Turkish Trade Law and the Stock Market Law. Consequently, legislation governing multiple partners in joint stock partnerships must be modified and the rules regulating the operation of "holding companies"—which is no more than an economic term in our commercial life—must be determined.
- —In order to avoid creating an administrative vacuum in the sense stipulated by Article 435 of the Turkish Trade Law, the question of whether the former administrative organs of a SEE should remain in office during the interval from the time the SEE is transferred to the Public Housing and Public Partnership Fund, after its conversion into a joint stock partnership, to the time when the state's share in the SEE has dropped to below 50 percent must be clarified.

- —The sale of SEEs with "social responsibilities" (e.g. the Turkish State Railways; the Post, Telephone and Telegraph Administration and the Turkish Airways) must be stopped with a view to its role in possible economic crises and military mobilization.
- —To prevent the concentration of shares in only a few hands and to protect the rights of minority holders, shareholders and employees must be permitted to participate substantially in management and supervisory councils together with the government. And a preset profit must be guaranteed for their shares.
- —To prevent the transfer of shares to be sold to SEE employees, who will participate substantially in the management of the privatized company, the shares must be made out to the name of the employees, and workers with limited means must be given installment payment options.
- —The terms of domestic and foreign partnerships in the control of the State Monopolies Directorate General must be well studied and the possible effects of the elimination of monopoly rights must be assessed from the outset.

Public Must be Informed

The global crisis in stock markets has had a negative effect on our country as well as on all industrialized nations. In view of that situation, before the SEE privatization program is implemented the public must be adequately informed and correct choices must be made in privatization. If hasty action is taken and the SEEs are sold to private groups with inadequate capital resources or to foreign firms at depressed prices, the privatized companies will quickly turn into sinking ships and they may impose additional burdens on the nation's treasury.

The following point must also be emphasized: While inviting the people to buy partnerships in the SEEs to be privatized, the method of sale must be clarified and decisions must be made not on the basis of reports by foreign firms but in accordance with the observations and suggestions of administrators who are familiar with the internal workings and the economic conditions of the SEEs.

It is also extremely important to make legal arrangements as soon as possible to transfer the monies raised by the Public Housing and Public Partnership Fund Administration through the sale of SEE shares to the appropriate corporations in order to enable the SEEs to work efficiently and productively and to create new resources.

Conclusion

The privatization of the SEEs, which have been carrying weight of the Turkish economy for 57 years, is a very complex and difficult task. Many of them have a history

of nearly 60 years and employ hundreds of thousands of people who have earned rights. In moving toward a needed "restructuring" to end the SEE model, the issue must be viewed as a whole, the problems that must be overcome must be solved step by step without haste, and the privatization work must proceed in a realistic manner without being hobbled by "incompetence."

9588

Revised Oil Policy Entails Higher Imports, Exports

35540036b Istanbul DUNYA in Turkish 20 Nov 87 p 3

[Text] Turkey's oil policy is being given a new direction. While the nation has no difficulties with its oil purchases, it is planning to increase oil imports, to reduce the excess capacity in oil refineries and to boost exports of petroleum products and crude oil.

The economic problems of oil-exporting Middle Eastern countries and the continuing full-scale war between Iran and Iraq have created a favorable environment for Turkey's oil trade. While these nations try to keep their economies afloat by selling more crude oil, which is their chief export product, Turkey can expand its exports because it barters its export products for crude oil.

In addition, the new policy is aimed at expanding petroleum product and crude oil exports depending on world market conditions.

It has been learned that in accordance with this policy Turkey exported petroleum products and crude oil worth \$350 million since the beginning of this year. Crude oil sold on the world spot market accounted for \$85 million of that amount. In contrast, last year Turkey's petroleum product and crude oil exports totaled only \$200 million because oil imports from Iran did not reach the targeted level despite the agreements signed with that country. Turkey's petroleum product and crude oil exports are expected to reach \$360 million by the end of this year.

Meanwhile, work is continuing on finding a solution to the excess refinery capacity problem that emerged following the phasing in of the Central Anatolia Refinery in Kirikkale. After the Central Anatolia Refinery was put into operation, new units in other refineries were also phased-in, creating an urgent need to solve the problem of idle capacity.

Although increased imports will partially alleviate the problem, talks are also under way to run the refineries in partnership with other countries. So far talks have been initiated with Kuwait, Saudi Arabia and Japan on this issue.

However, the joint operation plan does not seem to be feasible in the short run because crude oil produced by different countries is of different grades. As a result, Turkey will reportedly increase its crude oil imports for some time to expand capacity utilization at its refineries.

Speaking on this issue, officials stated that there are no problems associated with crude oil purchases and supplies and that the policy of importing excess oil will continue because increased oil imports translate into increased oil exports.

The officials said: "We will buy excess crude oil. If it is more appropriate to export petroleum products we will do that. If it is more profitable to sell crude oil we will do that. These decisions will change in accordance with price fluctuations on world markets."

Stating that preliminary talks have been held with regard to the joint operation of refineries, the officials said that so far no concrete results have emerged. Noting that the joint refinery operation plan has its own problems, the officials added:

"The crude oils that will be imported are all of different grades. As a result, each type of crude oil will have to be stored in a separate tank at the refineries. Yields of various petroleum products vary with different grades of crude oil. One grade of oil may yield 17 percent diesel fuel while another may yield 20 percent. The crude oil used in Turkish refineries is usually a blend of various oils. The blend is obtained by mixing together oils from Iran, Iraq and Libya. That way all the oil can be put in the same tank. If process agreements are signed for joint refinery operation, each country will ask us to process its oil. In that case, it would be necessary to set aside one refinery for each country to process that country's oil. If any refinery unit is set aside for one country, that refinery's storage tanks cannot be used for any other purpose. These are the technical problems that we have on this issue. Until we resolve these problems, we plan to import more crude oil and to export what we process at maximum capacity. Of course, exports of petroleum products will also depend on the consumption level in Turkey. If it is more profitable to process crude oil and sell the products then that is what we will do. If selling crude oil becomes more profitable then we will continue selling crude oil on the spot market.'

9588

Oil Production Rises in 1987

35540036c Istanbul DUNYA in Turkish 19 Nov 87 p 3

[Text] Ankara—In the first 10 months of this year, the Turkish Petroleum Corporation (TPAO) increased its oil production by 13.8 percent [compared to the corresponding period of 1986]. TPAO produced 8.7 million barrels (1.1 million metric tons) of crude oil in the first 10 months of 1987.

TPAO officials disclosed that crude oil production in the first 10 months of this year was 1,450,000 barrels (approximately 190,000 metric tons) greater than the production in the corresponding period of last year.

In the first 10 months of 1986, TPAO produced 7,234,000 barrels (approximately 970,000 metric tons) of crude oil.

It was stated that the increase in TPAO's crude oil production resulted from the phasing in of some wells in southeastern Anatolia.

The officials said that crude oil production in all of 1986 totaled 1.2 million metric tons and that the production target for this year is 1.4 million metric tons.

Domestic and foreign firms in Turkey produced 2,394,000 metric tons of oil in 1986.

Turkey imports most of the crude oil it needs. Most of its oil imports come from Iran, Iraq, Algeria and Libya.

9588

Copper Industry Under Review

Council Hears Industry Views

35540026 Istanbul DUNYA (Supplement) in Turkish 9 Nov 87 pp 1, 3

[Supplement compiled by Nazli Aydogan and the Ankara Bureau]

[Text] At the First Industrial Council, Turkish Standards Institute (TSI) has been asked to develop an effective control system to ensure the standardization of copper products. In order to increase capacity use, currently running at 70 percent, and develop the sector at the same time, it is thought necessary not to issue further incentives for starting up new plants, the exception being those producing new products. State subsidies are being demanded for certain inputs of the industry, including energy.

It was noted that despite the excess production of electrolytic copper, imports exceeded exports. In 1986, 87,000 tons of electrolytic copper was produced in Turkey, and 51,980 tons were exported.

During the Council, organized by the Ministry of Industry and Trade (MIT) and held between 1 and 4 September, individual evaluations of industrial sectors were made—including the copper and copper products sector. Representatives of public and private sectors expressed their views. The following proposals were made by MIT regarding the development of the copper and copper products sector:

- 1) Development of an effective system of controls within the body of TSI to ensure the standardization of products.
- 2) Speeding up of projects at Kure, Siirt-Madenkoy, Rize-Chayeli and Murgul, making sure that ore production is adequate,
- 3) Renovation of blister copper plants at Ergani, Murgul and Samsun, raising production up to capacity,
- 4) As existing use of capacity is around 70 percent there is no need for new installations. Therefore, no new incentives should be given in this area, with the exception of new products, and the capacity use of existing installations should be raised.
- 5) Improvement of financing facilities by means of low-interest credits.
- 6) Import of scrap copper should be done by state enterprises thus ensuring its sale to the real producer, or issue import permits to producers,
- 7) Certain inputs, including energy, should receive state subsidies, and this practice should be spread to electrolytic copper compounds—particularly the export-oriented sector.
- 8) Total immunity from customs and import taxes for blister copper to allow procurement at world prices,
- 9) Raising tariff barriers against imports of electrolytic copper and copper compounds, and in their stead, encouraging imports of blister,
- 10) Lowering customs and import taxes applied to accessories and materials used in the sector,
- 11) In cases where entitlement (in return for exports) to importing electrolytic copper and copper compounds is waived and procurement is done through domestic producers it should be considered within the category of exports (and given the attendant privileges and incentives),
- 12) Electrolytic copper and copper compounds should be included in export incentives and price stabilization lists,
- 13) Offering incentives to exports during the production stage and making electricity, fuel oil and motorin available at world prices,
- 14) In devising incentive measures priority should be given to producer/exporters and export-oriented production rather than export and trading firms.

Meanwhile, MIT presented a report to the Council outlining the general situation in the copper and copper compounds sector. According to the report, known

reserves of copper ore are equivalent to 3 million tons of copper metal. Established capacity in blister copper is 7,000 tons per annum, in electrolytic copper it is 140,000 tons, and in electrolytic copper compound products 63,000 tons.

More than 50 percent of copper produced in Turkey is used in the electrical and electronics industries. The main uses for copper products are cables, electrical devices, electronics, electrical machinery and other industrial uses. The 1986 production figures were: blister copper 36,000 tons, electrolytic copper products 87,000 tons, electrolytic copper products 20,000 tons.

Underutilized Capacity

The established capacity of state enterprises producing blister copper—Etibank, KBI Samsun, Goktas—totals 68,800 tons. Production figures for 1985 and 1986, however, were 33,500 tons and 35,700 tons, respectively. While the established capacity of electrolytic copper producers—Rabak, Sarkuysan, Bakirsan, Erbakir, Heskablo and Botel—totals 140,300 tons per annum, their production totalled 69,000 tons in 1985 and 87,000 tons in 1986. In the copper compounds sector there are (including major producers like MKEK, Rabak and Sarkuysan) over 200 firms. Their 1985 production totalled 16,500 tons and the 1986 figure was around 20,000 tons.

The existing installations need support. The report presented to the Council urged the continuation of support for plants producing blister copper, electrolytic copper and copper compounds—for facilitating revision, renovation, improvement of quality, removal of bottlenecks, integration and application of modern technology. Furthermore, it was urged that funding for increased capacity use should be extended to activities in developed industrial areas—for removal of bottlenecks, modernization, integration, revision—and also to those installations which have been forced by municipalities to move to industrial parks.

Questions of Import and Export

In the MIT report it was emphasized that the reduction in the tenor of the ore was leading to a drop in blister copper production. It was therefore necessary to speed up the projects involving development of the mines and removal of bottlenecks concerning condensers. The report goes on to say the accessories and other materials used in the production of copper products should be totally immune from customs duties. It was also noted that due to the high production costs of electrolytic copper and copper compounds (their production capacity exceeds domestic demand) competition in foreign markets has become nearly impossible.

Ergani Mine Nears Exhaustion

35540026 Istanbul DUNYA (Supplement) in Turkish 9 Nov 87 pp 1, 3

[Text] Etibank-operated Ergani Copper Mine is nearing exhaustion—in about 9 years. Etibank Director General Suha Nizamoglu said that efforts are under way to find new ores. He also announced the formation of a joint venture between Etibank, Gama and the U.S. firm Phelps Dodge to process the zinc and copper reserves at Chayeli.

Ergani, a veteran mine, is nearing exhaustion. It is expected to last another 9 years with an average annual production of 5,000 tons. Thus, Etibank has started new studies in the Ergani region in an area of 20 to 30 square kilometers. If new ore is found as a result mining will be continued in the area. Otherwise all activity will be stopped. Nizamoglu gave the following information to DUNYA concerning Ergani:

"The production at Ergani has remained, for some time, at 5,000 tons due to shortages of ore. The mine is nearing exhaustion now, with only 9 years to go. We have decided to reduce the shifts. The natural flow of condensed ore is unable to feed the process any more. The mine no longer provides adequate raw material. We have therefore stopped some of the work. Following the renovations we had been working full capacity for a while. The present tempo will bring an average of 5,000 tons annually. That will not enable production to go ahead full capacity but will still be economically viable."

Therefore, surveys are to be conducted in an area of 20 to 30 square kilometers. Continuing, Nizamoglu said:

"If the survey proves negative we will stop our activities at Ergani when the mine is finally exhausted. And we have taken another measure regarding Ergani. We bought the Murgul condenser (not in use due to the renovations at Samsun installations). Thus, we have procured enough condensed ore to feed the metallurgy complex in Ergani for a full year. But the installation is quite old, breaking down in all corners. It could not handle the load. But by the end of the year we expect to be back at the 8,500 ton level. The Ergani installation has not shown a profit for the last 12 years but we expect a small profit this year. It is not much but at least we are in the black."

Talking about Etibank's activities at Kure, Nizamoglu said that a new condenser was set up there to process the 15 million ton copper reserves—producing 450,000 tons of pyrite and 70,000 tons of copper concentrate. The saleable output is transported from Kure to Inebolu but the port there could not handle ships with a tonnage over 3,000 tons. "This forces us to pay high freight rates," Nizamoglu said.

Due to the closure of the super phosphate plant at Sivrice, Ergani Sulphuric Acid Plant (which had been supplying Sivrice) had to suspend operations as well.

Following renovations production figures are expected to be: Samsun 35,000 tons, Murgul and Ergani 15,000 tons—a total of 50,000 tons.

Meanwhile, a joint venture was formed between Etibank (49 percent), Gama (6 percent) and Phelps dodge (45 percent) to process the copper and zinc reserves at Chayeli, expecting to produce 80,000 copper concentrate annually.

It would be more profitable to import copper concentrate than blister copper, Nizamoglu said, adding that the high prices of electricity and fuel oil were driving up the overall costs. He said:

"Where the price of electricity is not at reasonable levels the metallurgy industry cannot thrive. This is a high energy-consuming industry. When subsidies are paid to producers of electricity that means they have been given a function. Cost accounting can be done and decisions taken accordingly."

Turning to the world copper market, Nizamoglu pointed out that the prices are quite high, and that a fall in prices was not expected anytime soon. If Chili, possessing the largest reserves, feeds regular and adequate amounts to the market it is possible that the prices may go lower.

12466/9604

TURKEY

Cleric Urges State Support of Ethnic Groups Abroad

35540038 Istanbul TERCUMAN in Turkish 13 Nov 87 p 9

[Article by Hamdi Mert, former acting head of Department of Religious Affairs, in column "Friday Chat": "Kirkuk Drama"]

[Text] Something is happening in Kirkuk. Place names are being changed, the Turkish population is being subjected to forced migration, Turkish leaders are being tried and condemned, executions are taking place, Turkish youths are being sent to the front, publications and classroom instruction in the Turkish language and even speaking Turkish in the workplace are being banned—in this day and age!

The more we read about these things in the press, the more ashamed we become of being Muslim, even of our humanity.

What could Iraq's problem with us be?! We are the ones who watched over those lands for centuries. It was we who let Baghdad-Basra live in the artificial splendor of Ottoman wealth supported from Istanbul while Anatolia lived in a stone age of poverty, without roads and water. We sent the most accomplished and experienced governors and administrators to Baghdad from Istanbul, against the luxury and magnificence of the Baghdad caliphs. We considered it a religious duty to improve the holy lands stretching from Aleppo and Damascus(!) to Medina and Makkah. We served the "Islamic-Arabic" culture rather than the "Muslim-Arabs."

"Migration" and political pressure such as they are employing are unknown in Muslim-Turkish history.

So, what does Iraq want from us? When those lands were worthless, the Ottomans sent them everything, but as soon as oil was discovered they were happy to exchange us for the British. They have not paid the debt of oil which it had been decided they would give us every year in agreements appended to Lausanne. They sought refuge in our common enemy, the "Crusaders," so as not to allow us to have Kirkuk-Mosul, which lay within the "National Pact" boundaries and where the majority of the population was Turkish.

We have never, in fact, had any designs on Iraq despite our historic rights. We have desired peace "at home" and "in the world." We have proclaimed at every opportunity that "we do not covet one iota of anyone's territory."

In that case, what does "Muslim Iraq" (!) want from us? Did we say, "Shoo," to the Crusader protectors? Did we lay some claim to Iraqi territory or the land where a Turkish majority lives? Was there a rebellion or a reaction among the Turkish population, did they make some plan for the future? God forbid...

They have a complex. It is a feeble reaction stemming from the inability to be "father-state," from feelings of inferiority—a primitive reaction left over from having spent centuries under Ottoman rule. Pressures are being applied also to "Muslim Turks" in Bulgaria and the Soviet Union. It is, then, a "prove oneself" complex—a primal feeling of "See what I can do." Perhaps it is a Socialist Baath implementation of a Soviet command—serving as a laboratory for the Soviets.

If a state is a state, does it not consider itself the father, the protector of its subjects? Iraq is still not a state at that level, that's all. The state has another capacity also: To be concerned about the political-administrative-cultural problems of its coethnists in foreign countries. So, our mistake is in not doing this—in the eyes of Bulgaria. We are the guarantor under Lausanne of the Western Thrace ethnic Turks. Kirkuk-Mosul lies within the basic "National Pact." Syria and Iraq have outdone even the "Crusaders" in Turkophobia. There are ethnic Turks equal to twice the population of Turkey itself who are in this situation.

I remember a troubled conversation with our Moscow ambassador when I was in Moscow in 1979. He said, "I was not able to bring a Holy Koran, not one book in Turkish or any voice tapes from Turkey, as if there were an ulterior motive and resistance in this matter in Ankara."

If the Turks in the world around us, where radiotelevision and cultural activism have such an impact, can keep alive their ties to our national values, Iraq ought to be after us, worrying lest the Turks there have some problem, instead of our singing, "Alas, Kirkuk." ...Iraq and the presumptuous neighbor.

This is not just Kirkuk's drama, it is also Turkey's drama. It is essentially our drama.

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Syriac Leader Claims Many Refugees Fraudulent 35540031a Istanbul HURRIYET in Turkish 20 Nov 87 p 3

[Text] Mardin—Hanna Cilli, the communal leader of Mardin's Syriac Christians who have been asking for political asylum in various European countries, charged that certain criminal gangs have been forcing members of his congregation into emigration and said: "These people prepare fraudulent baptismal certificates for Muslims and Yazidis in exchange for money."

In a joint statement, the priest of the Midyat Church, Melik Urak, the priest of Deyrulzafaran Church, Ibrahim Turker, and Hanna Cilli, the President of the Administrative Council of the Ancient Syriac Congregation, said that an overwhelming majority of the people emigrating to European countries are Muslims and Yazidis. Speaking on behalf of all the spokesmen, Cilli alleged:

"It has been alleged that the individuals who have recently defected are Syriac Christians. We do not believe that they are Syriac Christians. Certain criminal rings are preparing fraudulent baptismal certificates for Muslims and Yazidis to enable them to emigrate to Europe quickly and to have their requests for asylum approved. This is the information that has reached our organization. Those who obtain these baptismal certificates pay large sums in order to appear Christian. There are people who are forcing these people to emigrate, but we do not know who they are. If we knew we would be the first to intervene. We would apprehend them and turn them over to the security forces. We are certain that the gang members who help the said individuals to run away to Europe live here and in Europe."

Cilli added that if the emigration trend continues, his community's customs and traditions will be lost, that he

and the clergymen oppose the emigration and that they have expressed these sentiments to European countries.

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Youth Comprise Majority of Jobless in Nation 35540031b Istanbul GUNAYDIN in Turkish 16 Nov 87 p 4

[Text] Ankara—Young people comprise the overwhelming majority of the 1,130,000 registered jobless persons in our country.

The Labor and Employment Organization Directorate General disclosed that jobless persons in the age groups of 20-24 and 25-29 make up 67 percent of the total number of unemployed persons. The number of jobless persons in the said two groups total 756,515.

The number of jobless persons in the 20-24 age group totals 485,359 which amounts to nearly half of the total number of unemployed people in the nation.

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